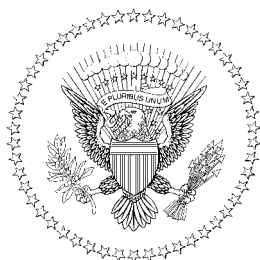


Weekly Compilation of
**Presidential
Documents**



Monday, August 19, 2002
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Editor's Note: The President was at the Bush Ranch in Crawford, TX, on August 16, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, August 16, 2002

**Exchange With Reporters in
Waco, Texas**

August 10, 2002

Iraq/President's Economic Forum

The President. Anybody got anything?

Q. Do you, sir?

The President. Well, I do. I'm in close consultations with my senior staff on a variety of subjects. As I said yesterday, I have no timetable for any of our policies as regards to Iraq. That—yesterday I spent time with my principal advisers on that subject, as well as others.

I am pleased with the reports about the productivity of American workers. I thought that was a continuing signal that our economy grows and strengthens. Next week I'll be having an economic summit that—we'll discuss ways that we can further job growth.

So, anyway, I'll be spending some time on subjects that might interest you all.

Q. Mr. President, yesterday in an interview I guess with Scott, you described Iraq as the enemy.

The President. I described them as the axis of evil once. I described them as an enemy until proven otherwise. They obviously, you know, desire weapons of mass destruction. I presume that he still views us as an enemy. I have constantly said that we owe it to our children and our children's children to free the world from weapons of mass destruction in the hands of those who hate freedom. This is a man who has poisoned his own people. I mean, he's had a history of tyranny.

Q. I'm sorry, if I could follow up. Are you surprised that you haven't been able to build more support within the region and within Europe for taking action?

The President. Well, Stretch [Richard Keil, Bloomberg News], I think most people understand he is a danger. But as I've said in speech after speech, I've got a lot of tools at my disposal. And I've also said I am a de-

liberate person. And so I'm—we're in the process of consulting not only with Congress, like I said I do the other day, but with our friends and allies. And the consultation process is a positive part of really allowing people to fully understand our deep concerns about this man, his regime, and his desires to have weapons of mass destruction.

Last question, and then I've got to go chip and putt for a birdie. [Laughter] It was a good drive.

Q. It looked kind of right.

Iraq

Q. Do you think the American people are prepared for casualties in Iraq?

The President. Well, I think that that presumes there's some kind of imminent war plan. As I said, I have no timetable. What I do believe the American people understand is that weapons of mass destruction in the hands of leaders such as Saddam Hussein are very dangerous for ourselves, our allies. They understand the concept of blackmail. They know that when we speak of making the world more safe, we do so not only in the context of Al Qaida and other terrorist groups but nations that have proven themselves to be bad neighbors and bad actors.

Thank you. Have fun today.

[At this point, the President continued his round of golf.]

The President. I'm having a lot of fun. It's good to be back here with my friends in Texas, including Senator Sibley, a fine lad.

Former State Senator David Sibley. A young man. [Laughter]

The President. We're just talking about the old days, what it's like to be in a legislative environment where Republicans and Democrats can get together to do what's right; what it's like to be in a legislative environment where people decide to do what's

best for a—something greater than themselves as opposed to what's best for a political party.

**Pension Reform/Judicial Nominee
Priscilla Owen**

Q. Think you'll be able to do that in Washington with pension reform?

The President. I hope so, on all issues. My call is that Republicans and Democrats need to work together—like on homeland security, on terrorism insurance, on pension reform. There's too much politics in Washington.

Senator Sibley. I don't remember anybody ever busting a judge.

The President. Yes, busting judges, as he mentioned. There's too much politics.

Senator Sibley. It never happens.

The President. Of course, he's talking about a fine Texas woman named Priscilla Owen, who's being busted for political reasons. She's been elected statewide here in Texas. People know here and trust her judgment. And yet, they're playing politics with her. Thank you for remembering that.

Anyway, I hope you all have a wonderful afternoon.

NOTE: The exchange began at 7:19 a.m. during a round of golf at the Ridgewood Country Club. During the exchange, the President referred to President Saddam Hussein of Iraq; and Texas Supreme Court Justice Priscilla Owen, nominee to be U.S. Circuit Judge for the Fifth Circuit. A tape was not available for verification of the content of this exchange.

**The President's Radio Address
August 10, 2002**

Good morning. On Tuesday, I will host an economic forum at Baylor University, in Texas, to meet with people on the frontlines of the American economy. Small-business owners, working people, investors, corporate leaders, economists, farmers, and Government policymakers are coming together to discuss where our economy stands, the impact of the policies we have put in place, and the steps we are taking as we move forward.

After a recession that was beginning as I took office, the terrorist attacks of September the 11th, and the corporate scandals that have recently come to light, the American economy faces challenges. Yet, the great strengths of America are more than equal to its challenges. American workers are productive. American entrepreneurs are visionary. And we are acting to reach the full potential of our economy.

These efforts began last year with a tax cut that boosted our economy at just the right time and continues to put more money into the hands of consumers. I have just signed into law trade promotion authority, which I will use to open foreign markets to American goods, creating high-paying jobs at home. I worked with Congress to enact new laws designed to keep corporate executives and auditors honest and to punish those who are not. And we are actively investigating, arresting, and prosecuting corporate wrongdoers. And this week, hundreds of companies will submit signed statements to the SEC, either verifying that their financial records are accurate or letting investors know if there are any problems.

Yet, there is more we must do, more to promote long-term growth and create jobs in our economy; more to enforce budget discipline in Congress, so we can focus on urgent priorities like the war on terror; more to guarantee pension security and improve access to affordable health care; more to educate every child for economic and personal success.

At next week's economic forum, we will discuss all these topics. Economists will provide their latest ideas and analysis of the economic recovery. But I'm also eager to hear from Americans from all walks of life who are working hard to make ends meet during these uncertain economic times. And I expect I will get a wide variety of suggestions on strengthening the economy.

Let me tell you about some of the Americans participating in this forum. Xavier Teixido, a restaurant owner from Delaware—he immigrated to this country from Paraguay when he was 2 years old and worked his way up in the restaurant business. He was recently elected chairman of the board of the National Restaurant Association. Maria

Sobrinio is another entrepreneur who will attend the forum. In 1982, she brought her mother's traditional Mexican desserts to the U.S. market. Twenty years later, she owns a successful food production company in Southern California. Mr. Teixido and Mrs. Sobrinio will tell us about the obstacles small-business owners face and offer opinions about how the Federal Government can help small businesses thrive and create more jobs.

Robert London and Jimmie Morgan will also join us at the forum. Robert is a driver for UPS down in Waco and a member of the Teamsters. Jimmie works for Boeing in Wichita, Kansas, and he has held a number of jobs in the company, from factory worker to management. Robert and Jimmie know that more trade means more jobs, and they want to be sure our Nation continues to open foreign markets to American goods.

With the help of Xavier Teixido, Maria Sobrinio, Robert London, Jimmie Morgan, and other participants, the economic forum will generate ideas to strengthen our economy and make workers and investors more secure. I look forward to participating in the discussions and sharing our findings with the American people.

Thank you for listening.

NOTE: The address was recorded at 10 a.m. on August 9 at the Bush Ranch in Crawford, TX, for broadcast at 10:06 a.m. on August 10. The transcript was made available by the Office of the Press Secretary on August 9 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at the Small Investors and Retirement Security Session of the President's Economic Forum in Waco

August 13, 2002

The President. Welcome to Texas.

Participant. Nice to be here.

The President. Thanks for coming.

Participant. It's a long ways. It's nice to be here.

The President. It is a long ways. It's going to be a great day. I appreciate you all being

here, and I look forward to hearing what you have to say.

[At this point, Glenn Hubbard, Chairman of the Council of Economic Advisers, made brief remarks and introduced Assistant Secretary of Labor for Pension and Welfare Benefits Ann Laine Combs.]

The President. Ann, thanks. Good to see you.

[Ms. Combs summarized the administration's efforts to improve pension security, increase opportunities for retirement savings, and restore confidence in the markets. She then introduced Charles R. Schwab, chairman and co-chief executive officer, Charles Schwab Corp., who expressed confidence in the stock market and discussed ways to increase investor confidence. Mr. Hubbard then asked if the President wanted to comment.]

The President. Well, I think what caught my attention was this business about confidence. I'm spending some time in Crawford, Texas. I think about how people in Crawford look at Wall Street and the numbers. And one of the things I hope that comes out of this discussion is, how do we simplify the numbers so that people can understand what they're looking at? People in this part of the world get a little suspicious of the fine print. But yet, a lot of them are now investing for the first time. And I think Chuck brings up a great point, is how can people not only on the east coast or the west coast feel confident about what they see but all throughout America can feel confident about what they see and hear?

Part of it is—I remember going—working a rope line in New York. And a business professor said, "Thank you for mentioning in your speech on corporate responsibility that business schools need to learn how to teach right from wrong." Evidently, there's this kind of nervousness about being clear about teaching young MBAs right from wrong.

And a guy walked up to me and said—it was a laboring man—and said, "Well, the best way to teach a lesson is to put some of them in handcuffs. That's the best way to send the message for corporate responsibility"—which we're doing. So we'll enforce

law, but confidence is more than just Government enforcing law. Confidence is an industry policing itself as well as understanding the new customer.

And I'd be curious—first of all, I love your ideas about how to account for loss and/or double taxation dividends. That makes a lot of sense.

But another question I would have for the panelists and look forward to hearing the recommendations is, how do we take care of the new investor? Chuck does a good job of it by recruiting them and then helping them invest. But throughout the system, how do we understand that the nature of the investor has changed?

[Mr. Hubbard introduced Muriel “Mickey” Siebert, chairman and co-chief executive officer, Muriel Siebert and Co.]

The President. How do you like being known as a legend, Mickey? [Laughter]

Ms. Siebert. As long as I'm a living legend—[laughter].

The President. You look living to me. [Laughter]

[Ms. Siebert discussed the need to protect investors from deceptive corporate practices.]

The President. Well, thank you, Mickey. You bring up a very interesting point that Chuck alluded to, and that is—you know, you talk about some of these fancy financial instruments being designed to inflate revenues, for example. And it takes a fairly sophisticated soul to figure out what's going on. And the fundamental question: Who is that sophisticated soul? And it seems like, to me, the sophisticated soul is the recommenders of the stocks.

And Chuck brought up a very good point, and that is, the industry itself is culpable of not blowing the whistle on practices that aren't—that kind of deceive, I guess, is the best way to put it. And my question is how best to—you know, apart from Government, how best may an industry police itself? How best for—as I one time said, I said, they'll sell or buy you depending upon what's in their interest—and how best to protect the unsophisticated now, a person accumulating a lot of assets from these practices that are pretty darned sophisticated.

[A participant suggested that to protect customers, the CEOs and compliance officers of companies providing help and advice need to sign a statement that they have no conflicts of interest. Mr. Hubbard then introduced Sylvester Schieber, vice president, Watson Wyatt Worldwide.]

The President. Excuse me for a minute. So here's what happens. I'm going to four of these; the Vice President is going to four of them. I can assure you, however, that we look forward to hearing the recommendations—Hubbard or somebody is going to be a note-taker. We will look at everything you say.

Again, I also want to tell you how much we thank you for coming, and I'll see you at lunch. We've got a great group of our fellow Americans here that really goes to show that people are concerned about the future of the country. I really want to thank you for coming. I know it was a stretch for a lot of you to come, but the fact that you're here is really meaningful for the country. So thanks from the bottom of our hearts.

Again, I look forward to what you have to say. In the meantime, I've got to leave here. Thanks.

NOTE: The President spoke at 9:03 a.m. in the Baylor Law Center at Baylor University.

Remarks at the Economic Recovery and Job Creation Session of the President's Economic Forum in Waco

August 13, 2002

The President. Good morning. Sorry to interrupt. I was hoping to hear Phyllis. [Laughter]

Phyllis Hill Slater. I was quoting you.

The President. You were?

Ms. Slater. Yes, I was quoting you: “Let no child be left behind.”

The President. There you go.

Ms. Slater. Education is key to keeping us strong in this country. And I especially want to look after those children in the rural and urban communities, because that's our future.

The President. You bet.

Ms. Slater. And I thank you for that lead-in.

The President. Well, listen, thank you all for coming.

So here's what happens. I come for 15 minutes and then go to another seminar—the Vice President as well. But I can assure you that any recommendations that come out of this discussion will make it to my desk. I look forward to hearing what you have to say.

I want to thank you all for coming. Welcome to central Texas, and I truly look forward to hearing what you have to say. I suspect I know what's on Doug's mind, and that's how to get people back to work. And that's on my mind. I mean, we ought to seize every opportunity to get our workers working.

In one case, Congress can do something about it and should do something about it quickly, and that is to provide some terrorism insurance so that roughly \$8 billion worth of projects move on. And that's \$8 billion worth of work for somebody. I view that in human terms, not in balance-sheet terms.

So I want to thank you all for coming to talk about ways to get the economy moving again. You know, we're pleased with some progress, but we've got more to do. And that's what we're really here to discuss. So any specific ideas that bubble up, you know, we'll give it a good look. But in the meantime, keep the conversation moving here. I don't want to dominate.

[At this point, Treasury Secretary Paul H. O'Neill introduced John Brooks, executive secretary-treasurer, Greater Pennsylvania Regional Council of Carpenters.]

The President. Big John, what do you do—excuse me.

Mr. Brooks. I'm a business manager for the Carpenters—

The President. Oh, good.

Mr. Brooks. —of Pittsburgh, which—we've entertained you.

The President. Yes, you have. You certainly did.

Mr. Brooks. I was probably the first person you met.

The President. That's right. Well, I didn't notice you. I didn't recognize you in a coat and tie. [Laughter]

[Mr. Brooks discussed the need for accurate pension fund reports.]

Secretary O'Neill. Mr. President, before we started, Van, who is sitting between us here, was telling me that her 92-year-old grandmother is watching this on television. So I think we ought to give Van an opportunity to talk. [Laughter]

The President. Your grandmother and my mother. [Laughter]

[Van Eure, owner, the Angus Barn restaurant, briefly discussed the importance of tax deductions for small businesses and her experiences in dealing with the death tax.]

The President. Thanks.

Ms. Eure. And I'm just honored to be sitting beside one of my heroes. [Laughter]

The President. Who, O'Neill? [Laughter]

Secretary O'Neill. Mr. President, I'll take it. [Laughter]

Ms. Eure. Yes.

The President. Thank you.

Ms. Eure. You're welcome.

The President. The thing about the death tax—the death tax is punitive on small-business owners. It is very tough on farmers and ranchers. It's hard to be able to keep your farm and your family if you've got a big appraisal value when a loved one dies. We're trying to get rid of the death tax. I firmly believe the death tax is good for people from all walks of life all throughout our society. As the entrepreneurial spirit takes hold in communities all throughout America, the death tax is going to try to be very punitive on many minorities, minority-owned firms. And our view is, is that if you build up your asset base, you ought to leave it to somebody you want to leave it to, whether your kid or your cousin or whatever it is.

And so we've put the death tax on its way to extinction. However, as a result of a quirk in the law, it arises again 10 years from now. That's a hard one to explain. But, nevertheless, it does. And so we've got to make the repeal of the death tax permanent, for the good of the entrepreneurial spirit and for the

good of our farmers and ranchers. And thank you for bringing that up.

Secretary O'Neill. Sheri Orlowitz, I wonder if we could hear from you?

The President. Where are you from, Sheri?

Sheri Orlowitz. I'm from Washington, DC.

The President. Nothing wrong with that. Me, too. [*Laughter*]

Ms. Orlowitz. I haven't seen you around lately.

The President. Well, I'm on a temporary basis there. [*Laughter*]

[*Ms. Orlowitz, chairman and chief executive officer, Shan Industries, LLC, discussed the importance of patience during economic downturns and greater corporate accountability.*]

The President. Well, thanks, Sheri. That's very articulate. A couple of points—we are going to find those who have broken the law and arrest them and prosecute them. And the SEC actually has done quite a bit of work. Some of it, I guess, hasn't received wide publicity. But 80 different officers have been punished in a year's period of time. I think it is a year's period of time.

Secretary O'Neill. That's right.

The President. We've increased the SEC budget so that they've got more capacity now to move through the system. Part of what you say requires a board of directors and a compensation committee for understanding their responsibilities. I mean, you're right. Excessive executive pay sends confusing signals. I mean, when a guy makes a merger or a company makes a merger, the executive makes a lot of money; the shareholders lose; something is wrong.

Independent members of boards need to be tough in their responsibilities. I don't think it's right for a Government to regulate pay. I don't think that's a role for the Federal Government. It is a role for the Federal Government, however, to bring those to justice who break clear law. And we will—and we will.

The other thing that you mentioned is the recession. We were—history now has shown, we had three quarters of recession, three quarters of negative growth, and now we've

had three quarters of positive growth. So the trend is in the right direction, which is important for Americans to understand. But nevertheless, there's a lot more to do. One of the key things, as you mentioned, is this business about insurance. We've got to get these projects going. We want these workers working. We want McCarron to quit calling me on the phone saying, "What are you doing about this insurance bill?" [*Laughter*]

Secretary O'Neill. Mr. Johnston, I wonder if we could hear from you? You're in a business that touches every American every day—in the grocery business, Mr. President—so maybe we could hear from you.

The President. Yes.

[*Lawrence R. Johnston, chairman of the board and chief executive officer, Albertsons, Inc., briefly discussed his suggestions for stimulating economic growth.*]

The President. Thanks. Thanks for coming.

Secretary O'Neill. Mr. President, you have to go.

The President. Yes, well, the life of the President—always has to go. But I do want to thank you all for coming. This is—I appreciate, Sheri, your talking about this summit in positive terms. That's how I view it too. You'll be amazed, when you go to lunch today, to see the quality of the folks that have come—got some of the world's leading economists here with you, in your panel, national labor union leader. I mean, we've got really fine people who have agreed to come and share their insights and share some thoughts with us.

I think one of the things you'll hear is that even though times are kind of tough right now, that we're America. I'm incredibly optimistic about the future of this country, because I understand the strength of the country. And the strength of the country is our people. We've got the highest productivity in the world. We've got the best farmers and ranchers in the world. We've got the best manufacturers in the world. We've got the hardest working people in the world. We've got the best tax policy in the world. I mean, we've got a lot going for us. And I think when the American investor—one thing I do want to comment on, I was at an earlier seminar,

and I, too, am concerned about the language of Wall Street not being clear so that the average investor can understand what's going on. And we talked to Chuck Schwab about that. And Wall Street has got to understand that fancy footwork, when it comes to financial instruments, needs to—need to be totally open and transparent, so everybody understands what's happening.

And you're right about making sure that the average investor feels confident in what he or she reads. A lot of folks in this part of the world aren't real—I would call it suspicious about some of the fine print. And there needs to be better disclosure so that people feel confident that they're not being led down the primrose path of fancy financial footwork, let me put it to you that way. And the Government can do some of this, but the industry itself, the investment advisors, and the people—I call them Wall Street—they need to—there needs to be some self-policing mechanism as well, so that people are confident in the numbers.

More and more people invest. A lot of Doug's workers invest—all of a sudden become pretty sophisticated relative to their father and forefathers. But you can't be that sophisticated if you're fighting off lawyers and accountants that are trying to put the dark cloud over reality. And that's one of the things we've got to just make sure does not happen anymore. Part of it is to put these people in jail. But part of it is to insist that the advisory world not have conflicts of interest and everybody understands what's going on. And I think you're going to find some pretty interesting ideas come out of this summit along those lines.

But anyway, thank you all for coming. Hope you've enjoyed central Texas. You're 45 minutes away from Crawford. *[Laughter]* No Albertsons yet, but we do have a stoplight. *[Laughter]*

Thank you all for your time.

NOTE: The President spoke at 9:23 a.m. in the Baylor Law Center at Baylor University. In his remarks, he referred to Phyllis Hill Slater, president, Hill Slater, Inc.; Douglas J. McCarron, general president, United Brotherhood of Carpenters and Joiners; and Charles R. Schwab, chairman of the board and co-chief executive officer, Charles Schwab Corp.

Remarks at the Corporate Responsibility Session of the President's Economic Forum in Waco

August 13, 2002

[Commerce Secretary Donald L. Evans welcomed the President and summarized the discussion to that point, including the remarks of Truett Cathy, founder and chief executive officer, Chick-fil-A, Inc., concerning why his company never offered public shares. Secretary Evans then introduced Dick Holthaus, president and chief executive officer, National Association of Investors Corp. (NAIC), who asked NAIC members in the audience to raise their hands.]

The President. Great.

[Mr. Holthaus described NAIC's activities as an organization of investment clubs.]

The President. Dick, thank you. First of all, I want to thank you all for coming. This is—it's really a fine seminar because the quality of—the people are great. Wait until you see who's here when you go to lunch. It's really—impressed. And this is a topic that is a vital topic for the country, and that's trust. You know, how do we make sure people can trust what they see, can believe what they hear, can understand—understand that they're being told the truth when it comes to numbers, and make sure the fine print, you know, is fully exposed?

I want to thank Dick from the New York Stock Exchange for helping set the tone for policing themselves. You know, the Government can only do so much. And I can assure you we're going to hold people accountable. If they lie, cheat, or steal, they're going to be prosecuted—they just are. But there's a lot others need to do as well, and the New York Stock Exchange set a very good example, starting a process that will regain the trust of, you know, of just the average citizen in America. That's what we've got to do, and that's what we've got to hit head on.

As the man who heads Albertsons in the previous seminar said, CEOs need to get out front. They don't need to hide during this period of time; they need to be out front.

He's starting tomorrow by signing a letter that will verify the truth and verify reality.

But I want to thank you all for coming. I can assure you that even though I won't be sitting through every single moment of the seminars—nor will the Vice President—we will look at the summaries, and we will look at any ideas that come out, as to determine whether or not there is more Government can do. In the meantime, I'm going to be calling upon the leaders in our communities, all across our communities, to do their job as responsible citizens.

So thanks for coming. This is an important day, and I think, for those who are watching on C-SPAN, I think they are going to find that there's a lot of Americans like themselves who are deeply concerned about the future of this country. And I think you are going to find that a lot of us are very optimistic about the future of the country, because we are a fundamentally strong nation, full of great people.

Welcome to central Texas.

[Secretary Evans introduced Harry Alford, president and chief executive officer, National Black Chamber of Commerce, who stressed the need for honesty and integrity in corporate leadership.]

The President. Well, I can assure you of one thing. If somebody broke the law, they're going to be held accountable. Dick came and I think Ken—both came to the speech I gave in New York. I was telling this story to one of the other seminars. And our business schools don't want to teach right from wrong anymore. They're afraid of taking a position, evidently. Michael probably knows more about that than I do.

But anyway, in my speech I said business schools need to take a stand to teach their youngsters right from wrong. Just as you mentioned, Harry, there are some values that are true. And I was working a ropeline—a professor said, "Well, thanks for saying that. As a business school professor, we needed to hear that." And a laboring man standing next to him said, "Yes, if you really want to teach people right from wrong, put those who did wrong in handcuffs. That's the best ethics lesson that Government can do." And we're going to. We're going to.

[Secretary Evans introduced Ron James, president and chief executive officer, Center for Ethical Business Cultures, who discussed the benefits of ethical corporate leadership.]

The President. Where are you—

Mr. James. Center for Ethical Business Cultures. We're in Minneapolis, Minnesota.

The President. Oh, great.

Mr. James. We partner with a couple of academic institutions, the Carlson School of Management at the University of Minnesota and St. Thomas' College of Business.

The President. But is there a trend in these business schools, like this person pointed out to me, that there's kind of a—

[Mr. James said that ethics was a core part of the curriculum at these schools, leading students to raise questions about the values of the organizations they considered working for.]

The President. That's interesting.

[Secretary Evans introduced Ana Cabral, president and chief executive officer, Hispanic Association on Corporate Responsibility, who stressed the need for greater diversity in corporate leadership as part of responsibility to the community.]

The President. Well, I appreciate that. I think one of the most heartening statistics about Hispanic life in America is that the fastest growing segment of small-business growth—it's a different subject, but along the same lines—is the Hispanic owner. The Latino-owned businesses in California—the creation there is just unbelievable, and the same in my State of Texas, which is a really positive development.

In terms of large, corporate America, there's no question there has to be a degree of sensitivity throughout the entire corporation in order for it to realize value. In other words, value is not just in numbers; value is in character as well. And I really appreciate Ron's point, that a company that has got a culture of responsibility is a company that benefits financially as well. It's kind of an interesting analysis.

But thank you very much. I'm going to appreciate you coming.

[Secretary Evans introduced Yale School of Management student Jill Gibson, who described how ethics is taught in her classes.]

The President. How about Dean Garten? How's he doing?

Ms. Gibson. He's doing a great job, excellent dean, thank you.

The President. Tell him to give you an "A." [Laughter]

Ms. Gibson. I will. I'll make sure to tell him.

The President. One of the things I hope to get corporate America to do is to give people time off to mentor children, as part of establishing a set of values within a corporation. One of the things that I think is beginning to happen is, corporate America looks at a potential employee's willingness to help a neighbor in need as part of whether or not that person will fit into the new corporate culture.

I think a lot of folks would say that it's impossible to develop a culture within a large corporation; that after the entrepreneurial stage of corporate development, you lose your soul. And one of the interesting challenges for CEO America, as well as the business schools, is how to instill a culture within a large, kind of soulless organization. It's one thing to be Chick-fil-A; it's another thing to have evolved to this, you know, a conglomerate or a giant, where the ownership is dispersed to the point where people really wonder whether or not it's possible. I happen to think it is. I think you can instill a culture in any large organization. But one of the tricks is how to do so. And I believe one way to do so is for—is to encourage employees, as well as, you know, the people who run the company, to do something for somebody other than yourself. Part of that is to be a good community participant and a good community citizen.

I'm glad you're here.

[Secretary Evans introduced June Lennon of Martin and Lennon CPAs, who discussed ways to be proactive in ensuring corporate responsibility, including simplifying accounting rules.]

The President. You ought to take a look at—Franklin can tell you, the Government accounting system is pretty—it's kind of hard

to explain. [Laughter] I've been there for nearly 18 months trying to figure it out. [Laughter]

But thank you very much for that, June.

Listen, again, I want to repeat to you all—I've got to bounce to another seminar, but I do appreciate you coming. This is—the other thing that Americans have got to know is that, by far, the vast majority of our fellow citizens are upright, honest, moral people. By far, the vast majority of people running corporate America are good, honorable people, good, decent people that care about their shareholders, care about their employees, care about communities in which they live. And that's important for people to know—and that there have been some recently whose practices started a while ago and are now coming to light, that cast a shadow on all of us. And we've got to let the light shine in, and that's what we're going to do.

But this is a unique land we're in. There is a moral compass amongst, by far, the vast majority of us, and that's what makes America so great. And our job is to—my job is to capture that spirit, to insist upon the best, call upon people to serve, hold people accountable when they don't. There's no question we're in a rough spot. But the good far outweighs the bad, not only in terms of statistics but, most importantly, because of the people and the character of the land.

I do want to thank you all again for sharing your thoughts. I think this is a very important day. It's important for all of us here, but more importantly, or as importantly, it's important for people who are paying attention to what is said here. So thanks for coming. I look forward to seeing you at lunch. I'm impressed by the quality of the folks that have come.

God bless you all. Thank you.

NOTE: The President spoke at 9:46 a.m. in the Baylor Law Center at Baylor University. In his remarks, he referred to Richard Grasso, chairman and chief executive officer, New York Stock Exchange; Lawrence R. Johnston, chairman and chief executive officer, Albertsons Inc.; Kenneth I. Chenault, chairman and chief executive officer, American Express Co.; Michael Useem, professor of management, University of Pennsylvania; Jeffery E. Garten, dean, Yale School of Management;

and Franklin D. Raines, chairman and chief executive officer, Fannie Mae.

Remarks at the Health Care Security Session of the President's Economic Forum in Waco

August 13, 2002

The President. Thank you all for coming. **Health and Human Services Secretary Tommy G. Thompson.** Mr. President, we're having a great session on medical malpractice and health care costs, the uninsured, and so on. And I've decided to pick several speakers to give you an update. And the first one I'm going to ask to give you a speech and an update is Grandma Green, Flora Green, who is an individual who is going to talk about Medicare. And she is a feisty little lady. So, I interrupted her——

The President. Kind of like you, Tommy. [Laughter]

Hi, Flora. Where are you from?

Flora Green. Salt Lake City. I met you in Salt Lake City.

The President. Of course.

Ms. Green. Barbara's boy. [Laughter]

The President. Thanks for coming. I thank you all for coming, by the way. I want you to know that economic security relies upon good health security. The two go hand in hand. And we understand that, and I want to thank you for sharing your ideas about how to make our society better for all of us.

Flora, thanks for coming. I'm interested.

[At this point, Ms. Green, a member of the Seniors Coalition, spoke about the need for choice in Medicare plans and suggested tax credits for Medigap premium and prescription costs.]

The President. Thanks for coming. Medicare is a very important program. However, it has not changed with the times, and that's a fact. And the fundamental question is, how do we change it with the times, so that seniors get the benefit of modern medicine, and they get to choose? That's one of the interesting debates in Washington, is should you allow—be allowed to choose?

Ms. Green. Absolutely.

The President. Well, I think so too, but others don't. Others want the Government to make those decisions for you.

Ms. Green. Why should some bureaucrat tell me what to do? [Laughter]

Secretary Thompson. Be nice now, Grandma. [Laughter]

The President. Have you ever been to Washington? [Laughter]

Ms. Green. I get past those watchdogs that protect the Members of Congress, those 29-year-olds that are running the country. [Laughter]

Secretary Thompson. Mr. President, I'd like to move on to—[laughter]—more patient control. And I would call upon Lucinda Harmon to give you an update.

The President. Oh, hi, Lucinda. Thanks for coming.

[Registered nurse Lucinda Harmon discussed ways to promote independence for persons with disabilities, such as herself.]

The President. Absolutely. Lucinda, where are you living?

Ms. Harmon. I live in Salado, Texas.

The President. Oh, yes. Right down the road.

Ms. Harmon. Yes, sir.

The President. And what are you doing?

Ms. Harmon. I am an educational consultant. I build capacity in terms of community coalitions and grant writing. My company has brought in \$2.6 million into the State and into the area, and I make \$40 a month.

The President. So you can get your Medicare benefits.

Ms. Harmon. And Medicaid.

The President. And Medicaid, right.

Ms. Harmon. Yes.

The President. Actually, we've made some progress on the Medicare——

Secretary Thompson. We are making progress on it.

The President. ——in terms of income limitations.

Secretary Thompson. Lucinda would like to introduce her dog too.

Ms. Harmon. Yes. My dog is part of my personal choice. His name is Quintessential. Quint, baby, wake up. [Laughter]

The President. Where is Quint? [Laughter]

Ms. Harmon. He's a part of my individual program. Thank you so much, Mr. President.

The President. He was afraid I was going to give a speech. [Laughter]

Secretary Thompson. Mr. President, the next issue that you have a tremendous passion for is reforming the tort system, as far as medical malpractice.

The President. Yes.

[Secretary Thompson introduced Dr. Edward Hill, chairman, American Medical Association, who discussed the effect of malpractice lawsuits on liability insurance premiums.]

The President. We've got a real problem. And what America's got to understand, the medical liability problem affects them for two ways: One, it runs up the cost of medicine; it just does. Large settlements and/or frivolous lawsuits makes your health care go up. That is a fact. And secondly, it—the liability situation denies some people health care.

I met this guy from Mississippi. He's a fellow that came down from Minnesota, he and his wife. They're pediatricians; they heard a calling to go to a poor community. And now they're leaving Mississippi. They were in the Delta, and they're leaving because the lawsuits are driving them out. Not only does the system drive up the cost for the people in the Delta—the poor people can barely afford it—now they don't have a pediatrician, or two less pediatricians. And it's sad, and we need to do something about it, in that the—these liabilities, these lawsuits drive up the cost of medicine. It drives up the cost of medicine to the Federal Government as well, Medicare, Medicaid, veterans health benefits. So therefore, I believe the Federal Government ought to act.

And we ought to have medical malpractice reform across the board. People ought to be able to recover their economic damages. If you get hurt, if somebody has mistreated you, you ought to have your day in court, and you ought to be able to recover what they call economic damages. People ought to be allowed to be treated fairly. But there ought to be a cap on noneconomic damages and on punitive damages. And we ought to have joint and several liability reform. This is a

real problem. And I call upon Congress, Doc, and I call upon you to get the people in Congress to act, to understand the crisis. There are a lot of good docs who aren't going to be docs anymore, and people suffer, and that's not right. And so it's time to act on this. I agree with you completely.

And the other thing people have got to understand is, these frivolous lawsuits—and there's a lot of them—are not only driving the cost of medicine up but denies people the chance to get their day in court. And that's a problem, and so we need to move.

For a while, I thought that it ought to be done at the State level. When I realized the cost to the Federal treasury, I now believe we ought to have medical liability reform at the Federal level. And I'm going to push hard for it, and I need your help. The trial lawyers are very politically powerful, and they're strong. But here in Texas, we took them on and got some good medical—medical malpractice, which evidently had a few loopholes in it.

Mr. Hill. Yes, sir, it did.

The President. But we got some good tort reform across the board, and we need to do it here. We need to do it now in America, before it's too late. The patients get hurt, and the docs get hurt. And one of the things we've got to do is make sure the connection between the doctor and the patient is strong, and that it always remains intact, because that's one of the great things about our medical system.

Anyway, thanks for bringing it up.

Secretary Thompson. Thank you, Mr. President. Have you got time for one more subject?

The President. Yes.

Secretary Thompson. I'm going to call upon a businessman, David Ness, to talk about how difficult it is with health insurance and what they're trying to do to make sure that they have health insurance for their employees.

David.

David Ness. Thank you, Secretary Thompson.

The President. Where do you live, David?

Mr. Ness. Minneapolis, Minnesota.

The President. Good.

Secretary Thompson. It's a suburb of Wisconsin, Mr. President. *[Laughter]*

The President. He tried that line in Minnesota, by the way. *[Laughter]*

Mr. Ness. Like Wisconsin, we have 3 days of summer. *[Laughter]*

The President. That's right.

[Mr. Ness, vice president of benefits, Medtronic, Inc., described how his company reduced the rate of increase in employee health care costs, including establishing employee personal care accounts.]

The President. Yes, medical savings accounts, whatever you want to call them, are very important for providing proper incentive and keeping the relationship between the patient and the doctor. I hope that Americans understand that if they walk 20 minutes a day, if they'd get out and exercise, the amount of money they can save for their families; that there is such a thing as preventative care; and by making right choices, that people can really save a lot of money. And if the system encourages those savings, that in itself is just as well.

I appreciate you bringing that up. We've kind of lost sight of who is responsible for what. Part of it has to do with the size of Government; part of it has to do with the health insurance phenomenon that has taken place. And the notion is to kind of—we talked about individualized medicine, but as you individualize medicine, individuals have to make better choices too. And that's going to be crucial for the future of the country.

Listen, thank you all for coming. I promise you I will listen to what has been said here, even though I wasn't here. And we will distill the ideas and the comments. This is—this is an important subject for the country because, as I mentioned earlier, good health care will yield to better economic security. It's hard to feel economically secure if you're worried about your health. It's hard to feel economically secure if the health care systems don't enable you to really realize your full potential. And so the ideas that you bring forth are important.

Tommy is doing a fabulous job running Health and Human Services. It's a—Health and Human Services, the budget and the amount of influence it has on our society is

enormous. And Tommy is a good listener, and he's a pretty good actor too. He can get things done. "Action man," we call him.

But I want to thank you all for coming. I think you'll be impressed by the quality of folks who have shown up here. I don't know if you've had a chance to mingle, but it's—I've been very impressed. I've been very thankful that a lot of our national experts have come to talk about a variety of subjects.

Really, what we're talking about is confidence in our future. I've got great confidence in the future of our country, because I understand America. I know what we're made out of. And obviously we've got some problems we need to address, but one problem we don't have to address is the fundamental character of the country. The fundamental nature of the American people are resilient and strong. We talked a little bit in these other seminars about how some have let us down, cheated, didn't tell the truth when it comes to their numbers on their balance sheets. And we'll find those and hold them to account. But by far, the vast majority of Americans are really decent, honorable people.

So thanks for coming to central Texas. I know it's a lot to ask to come here in the middle of August—*[laughter]*—but it's worthwhile. It's worthwhile. God bless you all.

NOTE: The President spoke at 10:08 a.m. in the Baylor Law Center at Baylor University.

Remarks at the Plenary Session of the President's Economic Forum in Waco

August 13, 2002

Well, Dr. Sloan, thanks for having us all. And I want you to thank all the good folks here at Baylor University for putting on a great show. I know a lot of people worked hard. I'm really glad a lot of folks from around the country got to see Baylor. It's a fantastic university. And I want to thank the folks here who came from all around the country. Welcome to central Texas in the middle of August. *[Laughter]*

People here are the people that really make America work: the entrepreneurs and

the visionaries, the carpenters, the union heads, the educators, grandmothers. We're here to listen to you, to get a report from what I call the frontlines of the American economy. And it's an important report. And the American people need to hear your report. My economic team and I heard much of the discussion. We will read the summaries. We'll think about it, and we'll move forward to create jobs for Americans. I want to thank all those who led the panels. I want to thank our speakers for doing a fantastic job today.

I am so very grateful for our fellow citizens who are deeply concerned about the direction of our country. On stage today we're joined by four people who I mentioned during the radio address over the weekend. I want to thank Xavier Teixido, who is the chairman of the board of the National Restaurant Association. Xavier is an entrepreneur who obviously runs a restaurant and is now head of a very important association. Maria Sobrino, who is the founder of Lulu's—I don't know if Maria is going to be serving us all after lunch, but I certainly hope so, because she does a great job. Robert London, the driver from UPS; Jimmie Morgan, material management at Boeing. These are four ordinary Americans, as Phyllis called them, who have got opinions. And we heard their opinions, and they're important opinions.

And so I want to thank the Vice President and members of my administration for coming down here to listen, to listen to what Americans have to say.

There's no question our economy has been challenged by a recession that was beginning when we took office, that the terrorist attacks of September the 11th that Phyllis talked about had a lot to do with our economy and the state of affairs from today, and recently we have had to deal with corporate scandals that were long in the making; they finally have come to light—three factors that affected our economy. One of the things that we heard today is that our economy has strengths that are greater than the challenges. I mean, after all, our workers and farmers are the most productive in the world; that our entrepreneurs are incredibly visionary; that inflation and interest rates are low;

that today we saw a report that consumer spending is still robust. We've had three quarters of positive growth after three quarters of negative growth. No, the foundations of the American economy are strong. Yet, the only purpose of a strong foundation is to build on it. And that's what we're discussing today. And we're determined, this administration is determined, to build on the long-term security of the American people.

Here's the way I put it: If somebody wants to work and can't find a job, we have a problem. And we need to do something about it here in America. We have heard from Americans who are concerned but not discouraged. We've seen problems. But we're confident in the long-term health of this economy. We share a sense of optimism about America, because we understand our country.

Too many Americans have lost a large portion of their retirement funds, and they've lost a sense of security in the process. I know that. Too many Americans have lost jobs, especially in the high-tech world, in the manufacturing sector. Too many Americans run into economic and regulatory barriers when they try to create a business or expand their business. Too many construction projects have halted because they cannot get terrorism insurance. The goal must be to create an environment of sustained economic growth. We've got work to do. I know that. But we're going to do the work. It starts with listening to our fellow Americans to find good ideas and implement them.

Here's one good idea to make sure we continue to grow our economy, and that is, Congress, for the long-term economic security of America, needs to restrain spending. Recession and the cost of war and the cost of homeland defense have increased our budget, increased our deficits. Yet, I am determined to fund the great priorities of our Government while exercising the spending restraint that will return America to the path of a balanced budget as soon as possible. More money spent in Washington means less money in the hands of American families and entrepreneurs, less money in the hands of risk-takers and job creators. A limited and focused Government is essential to a growing economy. And if the Congress won't show

spending restraint, I intend to enforce spending restraint.

And this work of enforcement on spending continues today. At the end of the session, the Congress passed an emergency spending bill to strengthen our military, protect the homeland, and to complete the commitment of \$20 billion I made to the citizens of New York. But they also sent along more than \$5 billion in extra spending I didn't ask for. Some of that 5 billion I have endorsed and will work to secure through amendments to the '03 budget, like AIDS prevention money and support for Israel and Palestine. But a lot of that money has nothing to do with the national emergency, and I'll give you one example: a new facility for storing the Government's collection of bugs and worms. I made my opposition clear. We were pretty plain-spoken about the supplemental. But those who wrote the bill designed it so I have to spend all 5 of the extra billion dollars or spend none of it. That's how they wrote the supplemental. Those are the rules they placed upon my administration. I understand their position, and today they're going to learn mine. We'll spend none of it.

As I said, for truly pressing needs and priorities, such as AIDS prevention and resources for the Middle East, we'll send to Congress specific amendments to get these funds quickly. However, we're not going to spend \$4 billion we don't need in order to unlock 1 billion we do. For the good of our economy, for the good of the people who pay taxes, my administration will spend what is truly needed and not a dollar more. Spending restraint is just one of the many responsibilities that we accept.

In order to build on the long-term security for the American people, we must always think about growth and jobs. I want to get American construction workers back to work. And that's why we need to have a terrorism insurance policy. I want those who wear the hardhats, who are willing to take risks by suspending themselves above the land, by building commercial projects that are significant in size—I want them working.

I want to thank Doug McCarron for being here. He wants them working too. We're working hand in hand to see to it that Congress finally gets the message that we need

a terrorism insurance bill to get American hardhats back to work.

People say, "Does it matter?" Of course it matters. There's over \$8 billion of commercial construction that has been suspended last year. That means \$8 billion worth of projects in which somebody is going to be able to work and put food on the table for their family.

And we need an energy policy too. Listen, energy policy is not only good for economic security, it's good for national security. We can do a much better job of harnessing technologies to conserve more energy. We can do a better job of finding renewable sources of energy. But for the sake of our economic security and for the sake of our national security, we need to become less dependent on foreign sources of crude oil, and we need to put our people to work by good, solid energy projects here at home. Congress needs to get me an energy bill. They need to stop talking, and they need to start acting by getting a good, sound energy bill to my desk as soon as they get home.

You've heard a lot about the tax relief plan we passed. Thank goodness we passed it when we did. We cut taxes in the middle of a recession because we believe by letting people keep more of their own money, it'll cause them to demand a good or a service. And when they demand a good or a service, somebody will produce a good or a service. And when somebody produces that good or service, somebody is more likely to find work. The tax relief was incredibly important, and it's going to be important as time goes on, because it's phased in.

Now, there are some in Washington who want to stop the tax relief, which is like a tax increase, which would be an unmitigated disaster given the economic situation in which we find ourselves. But rather than me talking about, "Let's stop the tax reductions," what Congress needs to do is to join us in the call to make these tax relief permanent—[applause]—permanent so small business—[applause]. Make it permanent so we send a signal throughout society that people should be able to plan, send a signal that we understand job creation is the number one priority of economic policy out of Washington, DC.

In order to make sure the economy grows, we must bring the promise of broadband technology to millions of Americans. My administration is promoting investment in broadband. We will continue to work to prevent new access taxes on broadband technology. If you want something to be used more, you don't tax it. And broadband technology is going to be incredibly important for us to stay on the cutting edge of innovation here in America. The Federal Communications Commission is focusing on policies to encourage high-speed Internet service for every home and every business in America. The private sector will deploy broadband, but government at all levels should remove hurdles that slow the pace of deployment.

In order to build long-term security, we will enforce the rules and laws on the books. I say as plainly as I can to CEOs: If you break the law, we will hunt you down; we will arrest you; and we will prosecute you. We expect the highest of high standards when it comes to corporate America. I want the books open and transparent. The numbers need to be real. The good news for our economy and our society is, by far the vast majority of CEOs are good, honorable people. They care deeply about their shareholders and their employees. Now that both Republicans and Democrats have come together to pass a sound corporate responsibility bill, my administration will take the new law, and we will hold those to account who do not uphold the high standards Americans expect from those of us in positions of responsibility.

I believe—I believe to build the long-term security of America, we need to encourage ownership. We want to have an environment and—where people feel comfortable about starting their own business. We want the Curtis McGuires of the world to flourish. Another way we can promote ownership is to encourage homeownership. One of the statistics that concerns me deeply and concerns those in my administration is this: Too many minorities do not own a home in America. Under 50 percent of African Americans and Hispanic Americans own a home. That's just too few, as far as I'm concerned. You see, owning a home is part of the American experience. And so I'm promoting policies that will encourage homeownership.

And we've set this goal, by the way, that we want there to be 5.5 million minority families owning a home over the next 10 years, which means Government ought to have a policy that helps people with a downpayment. People take a look at owning a home, and they realize the downpayment is a frightening thought. We ought to have a downpayment assistance program out of Washington, DC.

We need to make sure we have education programs, so that people understand what it means to buy a home, so that they're educated in what it takes to own a home. We need to make sure that we have got money available for homeownership, minority homeownership. I want to thank Fannie Mae, Franklin Raines for being here. He is joined with many in the private sector to unlock millions of dollars, to make it available for the purchase of a home. Listen, when people own a home, they have a stake in the future of our society. If we're interested in economic security, we must promote home ownership for all Americans—and the same for promoting asset ownership for all Americans.

One of the most heartening statistics is, more and more Americans are building their balance sheets through pension plans. They're owning stocks and bonds. They've got a future other than their income stream. And that's vital, and that's important. But to make sure that those who own their pensions are fully protected, we need law out of Congress. I proposed a law—the House passed it; the Senate needs to act—which says the following things: One, people should not be forced to hold a large portion of their accounts in a company's stock. If you're working for a company and you own that stock, you should be able to diversify after a 3-year period of time. Secondly, you ought to get sound investment advice every quarter, not every year. Thirdly, as we pass a corporate responsibility bill, if the CEO is able to unload the stock, so should the employee. What's good for the boss is good for the people working for the boss. And we need to make sure that all investment advice is sound investment advice. And these workers who've got their money and their future tied up in these pension plans ought to get the best—

best advice possible. These are good reforms, and Congress needs to act on these reforms in order to encourage what we call an ownership society.

In order to make sure that we continue to grow our economy, we need to be aggressive when it comes to trade policy. Zoellick mentioned to me, he said they're all looking to me. They may be looking to me, Zoellick; I'm looking to you. [*Laughter*] You're the Trade Representative. You've now got the tools. Go out there and start negotiating free trade agreements around the world.

We're back at the bargaining table as a result of getting the trade promotion authority vote out of the United States Congress. It is essential that we move aggressively, because trade means jobs. More trade means higher incomes for American workers. Listen, a confident nation is one which opens up markets. A nation which isn't confident is one that closes its markets and puts walls around. I'm confident. I'm confident in the American entrepreneurs. I'm confident in our high-tech industry. I'm confident in our farmers and ranchers. I'm confident that when we compete, we're the best in the world. And therefore, I want to trade. I want to open up those markets. I want to level those playing fields. Open trade is good for American workers and American families.

I agree completely with the health care panel, ably led by Tommy, that health security is an important part of economic security. There's a lot we need to do in Washington, but it starts with trusting the American people to make the right decisions. That's where it starts. There is a fundamental debate in Washington, DC. It goes like this: Do you trust—who do you trust? Do you trust the American people? Do you trust the elderly to make the right decisions for Medicare? Or do you want the Government making those decisions?

I know that sounds like a simple formula, but it's true. It's true. The debate is, is that there are some in Washington who believe that the Federal Government should make all the decisions on behalf of the American people when it comes to their health care. We don't. We believe the Government can write a check, but we believe that the ultimate decisionmaker is the people of—is the

person we're trying to help. That's the ultimate decisionmaker. We want our seniors to have more choices. Medicare is a vital program, but it's old, and it's stale, and it's tired. Medicine has changed; Medicare hasn't. We need to modernize Medicare by giving our seniors more viable choices when it comes to meeting their own specific health care needs.

Health care must be affordable, and it must be accessible. And one way to make it more affordable and more accessible is to have a medical liability reform at the Federal Government. Too many lawsuits are driving our doctors out of practice and are driving up the cost for too many of our citizens. We have got a serious problem in America when it comes to frivolous lawsuits, and we need to deal with it. And I hope the Members of the Congress are listening carefully when they get—when they're back in their districts. They need to be talking to the people whose lives are being affected by these junk lawsuits. And for the sake of good medicine and good health care, we need medical liability reform out of Washington, DC, as soon as possible.

And finally, I appreciate so very much the panel's discussion about making sure every child in America gets educated. There is no question we need to set high standards here in America. If we have low standards, guess what's going to happen. We will continue to get bad results. If we believe certain children can't learn, the system will just shuffle them through. The system will quit on them, and we've got to stop that in America. The best way to make sure that we enforce high standards is to say that if you receive Federal dollars, you, the State, must measure. You must show us whether or not every child is learning to read and write and add and subtract. Prove it, and if not, you've got to change the system. We cannot have children stuck in schools that won't teach and won't change. For the good of our economic security and for good of our children, we must be willing to challenge the status quo when the children can't read and write and add and subtract. And the only way to determine if that's the case is to have strong accountability. And I

can assure you, Janet, so long as this administration is in power, we will insist upon accountability, no matter how long, how loud the cries of those who believe the status quo works. This administration believes every child can learn. This administration wants every child to learn. And you mark my words, by having high standards and holding people to account, our children are going to learn. And America is going to be a much better place for it.

We heard a lot of things Government can do, and this administration is willing to work with Congress to do them: restrain spending, pass terrorism insurance, protect the pensions and promote trade, punish those who lie, cheat, or steal. But there are also things that people in America can do, people right here in this room must do. It's time for corporate America to earn back our trust. And that starts with having CEOs lead the way by having open balance sheets, fair numbers, by authorizing the numbers that are—tomorrow, starting tomorrow—by proving what I know, that by far the vast majority of those leading corporate America are good, honorable people. But I'm calling upon you to help earn back that culture that says, "We trust what we read. We trust the advice we're getting."

You need to know that I'm incredibly optimistic about America. Oh, I know the hurdles—Phyllis talked about hurdles we face. And we do have hurdles. We've got a war to fight, but it's a war we're going to win. We've got a homeland to protect, and we're doing everything we can to protect the homeland. And we've got the economic security of our fellow Americans to worry about.

But I'm confident in America. I'm confident in the skill of our people. I'm confident in our spirit. I know—I know that we're the greatest nation on the face of the Earth, because we're a land full of people that are caring and decent, hard-working and compassionate. Oh, there may be some tough times here in America. But this country has gone through tough times before, and we're going to do it again. And we're going to show the world how to be a prosperous and compassionate and decent country.

Thank you all for coming. God bless you all.

NOTE: The President spoke at 12:05 p.m. in Jones Concert Hall at Baylor University. In his remarks, he referred to Robert Sloan, president, Baylor University; Maria de Lourdes Sobrino, founder and owner, Lulu's Desserts; Phyllis Hill Slater, president, Hill Slater, Inc.; Douglas J. McCarron, general president, United Brotherhood of Carpenters and Joiners of America; Curtis McGuire, owner and chief executive officer, RedLeg's Lumper Service, Inc.; Franklin D. Raines, chairman and chief executive officer, Fannie Mae; Health and Human Services Secretary Tommy G. Thompson; and Janet Baker, superintendent, Hamilton City Schools, Hamilton, OH. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Executive Order 13272—Proper Consideration of Small Entities in Agency Rulemaking *August 13, 2002*

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. General Requirements. Each agency shall establish procedures and policies to promote compliance with the Regulatory Flexibility Act, as amended (5 U.S.C. 601 *et seq.*) (the "Act"). Agencies shall thoroughly review draft rules to assess and take appropriate account of the potential impact on small businesses, small governmental jurisdictions, and small organizations, as provided by the Act. The Chief Counsel for Advocacy of the Small Business Administration (Advocacy) shall remain available to advise agencies in performing that review consistent with the provisions of the Act.

Sec. 2. Responsibilities of Advocacy. Consistent with the requirements of the Act, other applicable law, and Executive Order 12866 of September 30, 1993, as amended, Advocacy:

- (a) shall notify agency heads from time to time of the requirements of the Act, including by issuing notifications with respect to the basic requirements of the Act within 90 days of the date of this order;
- (b) shall provide training to agencies on compliance with the Act; and
- (c) may provide comment on draft rules to the agency that has proposed or intends

to propose the rules and to the Office of Information and Regulatory Affairs of the Office of Management and Budget (OIRA).

Sec. 3. Responsibilities of Federal Agencies. Consistent with the requirements of the Act and applicable law, agencies shall:

(a) Within 180 days of the date of this order, issue written procedures and policies, consistent with the Act, to ensure that the potential impacts of agencies' draft rules on small businesses, small governmental jurisdictions, and small organizations are properly considered during the rulemaking process. Agency heads shall submit, no later than 90 days from the date of this order, their written procedures and policies to Advocacy for comment. Prior to issuing final procedures and policies, agencies shall consider any such comments received within 60 days from the date of the submission of the agencies' procedures and policies to Advocacy. Except to the extent otherwise specifically provided by statute or Executive Order, agencies shall make the final procedures and policies available to the public through the Internet or other easily accessible means;

(b) Notify Advocacy of any draft rules that may have a significant economic impact on a substantial number of small entities under the Act. Such notifications shall be made (i) when the agency submits a draft rule to OIRA under Executive Order 12866 if that order requires such submission, or (ii) if no submission to OIRA is so required, at a reasonable time prior to publication of the rule by the agency; and

(c) Give every appropriate consideration to any comments provided by Advocacy regarding a draft rule. Consistent with applicable law and appropriate protection of executive deliberations and legal privileges, an agency shall include, in any explanation or discussion accompanying publication in the *Federal Register* of a final rule, the agency's response to any written comments submitted by Advocacy on the proposed rule that preceded the final rule; provided, however, that such inclusion is not required if the head of the agency certifies that the public interest is not served thereby.

Agencies and Advocacy may, to the extent permitted by law, engage in an exchange of data and research, as appropriate, to foster the purposes of the Act.

Sec. 4. Definitions. Terms defined in section 601 of title 5, United States Code, including the term "agency," shall have the same meaning in this order.

Sec. 5. Preservation of Authority. Nothing in this order shall be construed to impair or affect the authority of the Administrator of the Small Business Administration to supervise the Small Business Administration as provided in the first sentence of section 2(b)(1) of Public Law 85-536 (15 U.S.C. 633(b)(1)).

Sec. 6. Reporting. For the purpose of promoting compliance with this order, Advocacy shall submit a report not less than annually to the Director of the Office of Management and Budget on the extent of compliance with this order by agencies.

Sec. 7. Confidentiality. Consistent with existing law, Advocacy may publicly disclose information that it receives from the agencies in the course of carrying out this order only to the extent that such information already has been lawfully and publicly disclosed by OIRA or the relevant rulemaking agency.

Sec. 8. Judicial Review. This order is intended only to improve the internal management of the Federal Government. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or equity, against the United States, its departments, agencies, or other entities, its officers or employees, or any other person.

George W. Bush

The White House,
August 13, 2002.

[Filed with the Office of the Federal Register, 8:45 a.m., August 15, 2002]

NOTE: This Executive order was released by the Office of the Press Secretary on August 14, and it was published in the *Federal Register* on August 16.

**Remarks at the University of
Wisconsin-Milwaukee in
Milwaukee, Wisconsin**

August 14, 2002

Well, thank you all very much for that warm welcome. It's great to be back here in Wisconsin, the land of reform, a State which has challenged other States to achieve excellence for every citizen. I appreciate the Governor's introduction. I appreciate his friendship. I so very much appreciate you all coming today to give me a chance to share with you some of the challenges our Nation faces and why I'm optimistic that we can achieve and defeat those challenges.

There's no better place to come—a State to talk about a can-do spirit than Wisconsin. There's no better place to come and explain to my fellow citizens how deeply committed I am and our country is to winning the war on terror. This is a good place to come to explain to our fellow citizens that we will do whatever it takes to protect the homeland and that we will do whatever it takes to make sure our economy remains strong and vibrant, all throughout the United States of America.

I want to thank Nancy, the chancellor of this fine university, for hosting me and the small entourage the President travels with. *[Laughter]* I appreciate very much, Nancy, your staff working hard to set up this room for this discussion. Thank everybody on our behalf, please. I also appreciate your commitment to education. I love the idea of a school in which people come to get educated and stay in the State in which they're educated. It is a positive sign that this university is fulfilling its important function, which is to train Wisconsin youngsters for the future and then have the Wisconsin youngsters stay here to make sure that future is bright for all citizens. I congratulate you for your leadership. I appreciate so very much your focus on no child being left behind.

I appreciate so very much the Metropolitan Milwaukee Association of Commerce for hosting this event. I want to thank the local officials who have come—State officials and local officials. I particularly want to pay homage to Scott Walker.

Yesterday I spent some quality time with the latest inductee into the Sturgis Motorcycle Museum's Hall of Fame. That would be your Tommy Thompson. You need to know he's doing a fantastic job. He's got a tough job, and he's doing a great job on behalf of citizens all across our country.

Finally, I had the honor of welcoming a soldier in the army of compassion today at Air Force One. Her name is Lucille Woods. Lucille, would you mind standing up, please? I want you to meet Lucille because she's an example of what needs to happen in America if you're interested in our society being a compassionate society. See, Government can hand out money, but what Government cannot do is put love into people's hearts or a sense of purpose in people's lives. If you're interested in having an America that is a decent and compassionate place, you've got to love a neighbor just like you'd like to be loved yourself. That is what Lucille Woods does. She is a foster grandparent—she is a foster grandparent who works with second graders to make sure that they learn to read. No child will be left behind in her vision of America. Lucille volunteers her time in her church to help those in need. Our society is going to change, one heart, one soul at a time, because of silent heroes like Lucille Woods. And thank you for coming today, Lucille.

Now, I was mentioning, we have some serious challenges facing our Nation. And my most important job, I think, is to make sure that I protect—do everything I can to protect the homeland and make sure that an enemy which hates freedom doesn't hit us again. They're out there. They can't stand the thought of America being a hospitable society to many cultures. They can't stand the thought of a society which worships an almighty God in different ways, a society which is tolerant to different approaches to religion. They really hate the thought of us being a society in which we are able to speak our mind, a society which values the individual worth of each person. And so, so long as we uphold those values, which we will do, they're going to try to strike us.

But you need to know, your Government at the Federal level and governments at the State and local level are doing everything we can to protect the American people. There's

a lot of really fine people who are running down every hint and every lead and every opportunity to disrupt what may or may not be fixing to happen.

When we get back to Washington after what they call the August break, I look forward to working with the United States Congress to do everything we can to effect an organizational change which would then allow me to say more certainly to the American people, we're effective at protecting the homeland.

There was—there is over 100 agencies involved with homeland defense. These agencies do different things other than homeland defense, but part of their function is to protect the homeland. The Coast Guard is a good example. The Coast Guard protects our shores from smugglers, and they, you know, they're watching out for the fishermen; they rescue boats in distress. But they also have got a function of protecting the homeland. And so the fundamental question, when you think about the fact there's 100 agencies scattered around, is, what can we best do to align authority and responsibility? How best can we have the primary function of these 100 agencies be to protect the homeland? In other words, how do we change priority and culture? My suggestion was, is that we create a single Department, the responsibility of which is to protect the American people, with a Cabinet officer confirmed by the Congress. And we're making progress on this idea. By the way, this isn't a Republican idea, and this isn't a Democrat idea. This an American idea to protect the American people. And so we're making progress.

We're making progress, but the Senate now needs to take up the idea. And the concern is, is that they will be more concerned about their own political turf and jurisdictional turf than they will be the larger concept of protecting the American people. They'll be more concerned about special interests and less concerned about how to adequately protect America. So I look forward to working with the Senate. But I can assure you, I will insist that the new Department be able to put the right person in the right place at the right time to be able to protect the American people, that we will reject any plan which has got a thick book of bureau-

cratic rules all aimed at protecting special interests.

And it's important that we be able to have the right person at the right place at the right time. It's important to be able to do so to protect our borders. We need to know who's coming in and what they're bringing into America and whether or not they're leaving when they're supposed to be leaving America. And that means that the INS and the Border Patrol and the Customs all ought to be working in concert, under the same authority, developing the same culture. And that's going to require flexibility to get everybody thinking the same way. There's a lot of entrenched interests in Washington. And we're going to need all the tools necessary to make sure those entrenched interests hit in the right—run in the same direction, and that is to fulfill the top priority of our Government, which is to protect our homeland.

But the best way to protect the homeland, the best way to secure freedom for this country is to chase the killers down, one person at a time, and bring them to justice, which is what the United States is going to do. I say that because I want the world to be at peace, but I know the nature of the enemy. They—we can't talk them out of their ideas. We can't hold their hands and hope they change their attitude. We must bring them to justice. This country doesn't seek revenge. We seek justice. And the farther we get away from the attacks of America, the more likely it is some Americans will forget the danger—but not me, nor will the United States military.

For those of you who have got loved ones in the U.S. military, I want to tell you how proud I am, how confident I am of their abilities, and how proud you should be of their service to our great country.

I have submitted a significant increase in defense appropriations for two reasons: Anytime we put our military in harm's way, they deserve the best training, the best pay, the best possible equipment; and secondly, I want to send a message to our friends and our enemies that the United States of America is determined and patient and relentless in our quest for freedom. Now, the Congress has passed—the House passed one version. The Senate passed another version. They

need to get together quickly, when they get back in September, and get a defense appropriations bill on my desk first thing. It's important for our planning purposes; it's important for our war on terror that they not play politics with the defense appropriations bills.

And we're making some progress. We really are. What's hard for some to understand about this new war of the 21st century is that these are people being treated like international criminals, and so it's like we're on a manhunt. And the United States is working closely with our friends, and we have hauled in over a couple of thousand of these folks. They've been arrested and detained. Some of them are in our possession. Others are with other countries. Some of the terrorists haven't been quite as lucky as those who have been detained and arrested. But we're slowly but surely making progress, and we're enforcing the doctrine that says, "Either you're with us, or you're with the enemy, and if you harbor a terrorist, if you feed one, you're just as guilty as those who killed thousands of Americans on September the 11th."

I believe by being relentless and steady, not only will we make America more free, that the future generations of American citizens will be able to grow up in a free society, but by being relentless and steady and principled and determined, we can achieve peace. And that's my hope, is for the world to be peaceful; that we can achieve peace in parts of the world that have—where some folks have just given up on the thought of peace, perhaps the Middle East or South Asia. For those of you with youngsters who are trying to explain what you're seeing or hearing on TV about this war on terror, please tell them that when we go into a country, we go in not as conquerors but as liberators, because we believe in freedom for all citizens who live in the world. We love our own freedoms, and at the same time, by being strong and resolved and determined, we can achieve peace—peace for generations to come.

And the third big challenge is to enhance and to work on the economic security of the American people. We'll work on the homeland security and the economic security. Yesterday I had a forum in Baylor University, in central Texas—quite a sacrifice for people

to come down there, to central Texas, middle of Texas in the middle of August. But they were determined to share with me and people in my administration ideas and thoughts and concerns. I could have had the meeting right here and had the same input from citizens here in the great city of Milwaukee. We had union members and union leaders. We had grandmothers. We had entrepreneurs, small-business people, farmers, ranchers, people from all walks of life. And they talked about the challenges our economy faces. I mean, after all, for the first three quarters when I was the President, we were in recession. And then that September the 11th hit, and that hurt our economy. And then some of these liars showed up. Some of the scandals started to surface. They'd been in the making for a while, but they began to bubble up, and that shook the confidence of our country. And we discussed—we discussed that yesterday.

But we all came—at least, I came to the conclusion, having listened to a lot of our fellow Americans, that the strength of the American people and the fundamental strength of our economy far outweighs the challenges we face. And let me give you some examples. We're the most productive people in the world. Our farmers and ranchers and working people are incredibly productive. Interest rates are low. Inflation is low. Wages are rising. Taxes are lower. Consumer spending is still strong. I came away from the meeting confident about our economic future, but not content with the progress we're making. And I want to discuss with you some of the things I think we can do.

First, you've got to understand that behind the statistics—at least the way I view it is, behind the statistics is somebody's life. So the way I put it is, if somebody wants a job and can't find a job, we've got a problem. So long as anybody is looking for work who can't find work, we need to do something about it.

Now, there are some things we can do in Washington to help the economy grow. One thing we need to do is to restrain excessive spending. We need fiscal responsibility. Excessive spending will serve as a drag on economic growth. Right now, we've got some deficits because of the recession and because

we're funding the war on terror. But by restraining excessive spending, we can have our budget back in balance. But it's going to require Congress to show some discipline. And that's hard. Every constituency has got an issue. Every program sounds wonderful.

I tried to help yesterday. Congress sent an emergency spending bill to my desk, and that was good. It's called a supplemental. It's money for the war on terror; it's money to defend the homeland; it's money to help rebuild New York City. But interestingly enough, they put 5 billion additional dollars in there, about \$5 billion that I didn't think was an emergency. And part of the language in the supplemental said, "Either you spend all 5 billion of the extra money, or you spend none of it." In other words, I didn't have any flexibility. I didn't get to pick and choose. They said "all or none." I heard their position. Yesterday they heard mine: We're spending none of the 5 billion.

This decision should serve as an example that I am serious when it comes to protecting taxpayers' money and to being fiscally sound with your money, to set priorities and make sure they fund the priorities but don't overspend. Somebody said, "What are you talking about?" In part of the 5 billion, to show you one of the egregious examples, was, they wanted a new building for worms and bugs that the United States had collected. That's not an emergency. [Laughter] If somebody thinks it's that important, they can put it in next year's appropriations bill. As a matter of fact, one of the things we'll do is, we'll take some of the good ideas that were a part of the 5 billion and work immediately to get them in the '03 budgets. And by the way, the '03 funding starts soon.

Two examples: One, a pressing need—one of the pressing needs was AIDS prevention programs. I'm a supporter of doing everything we can here at home and internationally for fighting AIDS. And there's money in there for the Middle East, for Israel and Palestine, and that money is necessary. But there's time to get it in the '03 budget, and we'll get it spent. But I am not—I am not going to allow Congress to pressure me to spend money that I don't think is needed. For the good of the economy, we must show fiscal restraint.

And for the good of the economy, we fortunately reduced the taxes on the people who pay taxes here in America. Tax relief was timely, and it's going to—history will show it was necessary to help fight this recession that we inherited.

One of the things I heard yesterday, and I suspect you would hear from the small-business owners in this crowd, is that by reducing taxes, it helps small businesses grow. Seventy percent of the new jobs in America are created by our small-business entrepreneurs. Small business is the backbone of an economic recovery. And therefore, by cutting taxes, we helped small businesses. I've heard the rhetoric about who supposedly we're helping or not helping. The reality is, most small businesses pay personal income taxes. Most small businesses are not incorporated. They're sole proprietorships. They're limited partnerships. They pay personal income taxes. And when you drop the personal tax rate, you're helping small businesses. The more money a small business has, the more likely it is that small business is going to be able to grow and employ another citizen from Wisconsin.

We slashed the marriage penalty. I believe the Tax Code ought to encourage marriage, not discourage marriage.

And we put the death tax on the road to extinction. We heard yesterday from people from all walks of life talk about how terrible the death tax is. These are small-business owners, many of whom have just come to America for the first time. They're building up their asset base. They want to be able to leave their assets to whoever they want to leave them to, without that asset getting taxed twice. The death tax is bad for Wisconsin farmers. The death tax is bad for Wisconsin's small-business owners. The death tax needs to go, forever, as far as I'm concerned. But because of a quirk in the Senate rules, the tax relief plan that is being phased in will end in 10 years, or 9 years from now. And that's not right. People need to be able to plan. People need not be—have certainty in the Tax Code. And so therefore, for the good of economic growth, for the good of job creation, the United States Congress must make the tax relief plan that we passed permanent.

Congress needs to act on terrorism insurance. People say, "What is that?" Well, there are eight—there's \$8 billion worth of money that has been put aside—\$8 billion worth of construction projects that are not going forward in America because of the high cost of terrorism insurance. When the enemy hit us, they changed the whole concept of risk. Our belief is, the Federal Government ought to help pay for terrorism insurance. I think it's a useful use of taxpayers' money to provide a certainty, a security for terrorism insurance. If you're worried about jobs, like I am, if you want your hardhats working, we've got to get terrorism insurance passed so these large commercial projects go forward. We want people working in America, and the United States Congress can provide a means necessary to get these construction workers back to work.

We need an energy plan in America. We need to conserve more energy. We need to work on renewables. We need to explore more at home in an environmentally friendly way, so we're not reliant upon foreign sources of crude oil.

I got trade authority. I'm going to use trade authority for the good of the economy. I made the argument to Congress that good trade means good jobs. Listen, if you're good at something, you want to encourage. If you're good at something, you want to open up markets for the product you create. Listen, we've got the best entrepreneurs in the world here in America. We've got the best farmers in the world here. We've got the best cheese in the world here in America. And we ought to be selling our products all around the world. It's important for our fellow Americans to understand, trade means higher paying jobs.

I also look forward to working with Congress on pension reforms. A lot of people own stock and bonds, and that's positive. We want people to own things in America. We want people to say—balance sheet to be more than just potential income; we want it to be assets. And yet there are those who are involved in pension funds that are locked into funds. They can't diversify. There needs to be a law on the books that says that after you own your company's stock for a while, you ought to be able to sell it and diversify

your portfolio. You ought to not have all your eggs in one basket. And I'm proud of the law I just signed, which says, if the CEO gets to sell his stock, so does the working person, the person working for that CEO.

And speaking about CEOs, like you, I have been disappointed in the performance of some of America's chief executive officers. They let us down. They didn't uphold their responsibility as a leader should. They fudged the books. They didn't tell the truth. And now they're going to pay the price. It's no longer easy money for these folks; it's hard time. I want to thank the members of both political parties for signing the most comprehensive corporate reform since Franklin Roosevelt was the President. I appreciated working with leaders in both parties to get this done. We're going to send a very strong signal to people. We expect there to be transparency. We're going to make sure that the numbers are real. We've got a lot of first-time stockholders who don't appreciate being told one thing is happening, but reality was another. The SEC is stronger. We've got more enforcement officers. We've got laws on the books now that are going to increase the penalties for lying and cheating to the American people. I've got a Corporate Fraud Task Force that's active and aggressive. Obviously, they'll stick to the law, but when we find somebody who has defrauded the American people, they're going to pay a price.

You know, I was telling some folks yesterday, I was disappointed to hear that in business schools, they're afraid to teach right from wrong. They don't want to take the position of right from wrong for future MBAs. And in my speech I gave to New York City about the reforms necessary to help clean up corporate America, I talked about the need for business schools to teach right from wrong. And professors came up to me when I was on my way out of the room—he said, "Thanks for saying that." Big old fellow, a working man, came up and said, "If you really want to teach them right from wrong, Mr. President, if you want to send a message about ethics and business in America, slap some handcuffs on one or two of them and put them on TV; that's the best lesson you can leave with corporate America, if they're going to lie, cheat, or steal."

Today chief executive officers of major corporate America are putting their names on the line to certify that the numbers on their balance sheets are real. And that's positive. By far, the vast majority of those who run corporate America are good, honorable people. You've got some great companies here in the State of Wisconsin. I think of Harley Davidson, for example, a company which has got not only a great product but a company which treats its employees with the utmost of respect and dignity and has done pretty well by the shareholder as well. We've got all kinds of companies like that, run by decent people. And we're not going to let the few ruin the reputations of the many. We're going to hold people to account here in America.

One of the things I learned at our sessions yesterday, and I suspect would learn here today, that even though folks are optimistic about the future, there has been—a little shaken in their confidence. People are concerned, and I can understand that. But one of the things that rang true yesterday to me, and does every time I make a stop here in America, is that we should never lack confidence in our character, in the character of the American people. This is a fabulous country. These are hard-working, decent, honorable people who can overcome any challenge. This is a great country, and when we put our mind to something, we'll be successful.

And we've got our mind on some big goals here in America. We've got our mind on bringing freedom and peace to the world. Our mind is on protecting the homeland, and our thoughts and concerns are with those who are struggling economically. But we'll achieve economic security here in America. Our entrepreneurial spirit is strong. The fundamentals are great. We're regaining confidence in the leadership of corporate America. But most of all, the American people are determined to succeed.

You know, I have said to our citizens a lot of times that out of the evil done to America on September the 11th is going to come incredible good. Out of the evil done to our Nation is going to come some good, the likes of which we never really would have dreamed. And part of the good that's going

to come is the fact that our culture is changing, that a lot of Americans understand that it's patriotic to help a neighbor in need. People say, "What can you do to fight the war on terror?" You know what you can do? You can do some good. It's the collective acts of goodness and decency which define America, which show the world the true face of our nobility and our strength and our culture.

Flight 93 was a poignant moment for me and, I suspect, for you as well. These are people flying across the country. They heard the plane was going to be used as a weapon. They were on their cell phones to their loved ones. They told them they loved them. They said a prayer. One guy said, "Let's roll." They took the plane in the ground to serve something greater than themselves in life.

It's those acts of courage, those quiet acts of compassion which really are changing America, one person at a time. There is a new culture in this country. We're ushering in a period of personal responsibility. People are responsible for the decisions they make in life, responsible for loving your children with all your heart and all your soul, responsible for helping a neighbor in need, responsible for making sure the Milwaukee school system is the best in the country so nobody—no child is left behind. No, there is a new responsibility in America.

I don't know what went through the minds of the enemy when they attacked us. They must have thought they were attacking a nation that was so shallow, so materialistic, so selfish that all we would do was maybe file a lawsuit. But what they've learned is, they attacked a nation that is strong and courageous and decent, a nation in which thousands of our fellow citizens understand that by serving something greater than yourself in life, you serve the greatest nation on the face of the Earth.

Thank you for coming. May God bless.

NOTE: The President spoke at 10:25 a.m. in the Klotsche Center at the University of Wisconsin-Milwaukee. In his remarks, he referred to Gov. Scott McCallum of Wisconsin; Nancy L. Zimpher, chancellor, University of Wisconsin-Milwaukee; and Scott Walker, county executive, Milwaukee County, WI.

**Remarks at a Luncheon for
Governor Scott McCallum of
Wisconsin in Milwaukee**

August 14, 2002

Thank you very much. And you know what I think? I think the voters of Wisconsin are going to say yes to Scott McCallum as the Governor. I am here to help this good man because I believe in him. And I believe he's going to win. And I want to thank you all for helping him. I want to thank you for being here today. I especially want to thank you for what you're fixing to do, which is to man the phones, go to the coffee shops, and turn out the vote. You've got a good one in Scott, a good, honest, decent, honorable man who is willing to make tough decisions. And you need to send him back to the statehouse for 4 more years.

And I appreciate so very much the first lady of the State of Wisconsin, Laurie. It is good to see her again, and their children. I want to thank those boys and the girl for supporting their dad in his run for the Governor's race.

I bring greetings from the First Lady of the United States. She is actually campaigning today in Texas for a friend of ours who is running for the United States Senate in Texas. You drew the short straw. *[Laughter]* But she is doing great. I don't know if you remember the story about Laura and me, but when I married her, she was a public school librarian. And the truth of the matter is, she didn't particularly care about politics or politicians. And now here she is, the First Lady of the United States. And she's doing a fabulous job. I'm really proud of her. We're working out of Crawford this month. It's a nice temperature differential. *[Laughter]* But she sends her regards and sends all her best to Scott and Laurie and the family during this really important quest to be your Governor.

I want to thank very much the Lieutenant Governor, Margaret Farrow, for being here as well. I find it very interesting that Governor Farrow is breaking the glass ceiling. She is the first female Lieutenant Governor in Wisconsin history.

I want to thank leaders of the statehouse who are here, Mary Panzer, and Scott Jen-

sen, who is the speaker of the house. Thank you both for coming. I want to thank other members of the legislature who are here. It is in your interest that this good man win.

I want to thank Scott Walker. I call him "cousin." After all, I'm George Walker Bush. *[Laughter]* At least I call him "cousin" so long as he's doing a good job. *[Laughter]* And they tell me he's doing a fine job. Scott, thank you for taking on a very important assignment as the Milwaukee county executive. And we wish you all the best.

I had the privilege of meeting the next attorney general of the State of Wisconsin, Vince Biskupic, and I want to thank Vince for being here as well.

I want to thank Rick Graber, who is the chairman of the Republican Party, a fellow I've gotten to know quite well and trust and appreciate his leadership. I want to thank Mary Buestrin, who is the national committeewoman. And I want to thank Craig Leipold, who is the finance chair for this fine event. Thank you all for coming.

I particularly want to thank the—those of you involved in grassroots politics. Oftentimes we come to these events and we never thank those who have manned the phones to even get the event going in the first place. I understand politics well. I know you cannot win without people energized at the grassroots. And for those of you who have worked tirelessly for Scott and for my behalf as well, thanks from the bottom of our hearts. And I hope this dinner serves as a way to continue—to get you to continue working, because you're vital to the success of any candidate running for public office. So thanks for coming today. It's great to see you.

I like a man who does what he says he's going to do, and that's what Scott did. Scott said he was going to deal with the budget in an upfront way, but he was going to do so without raising your taxes. A lot of folks in politics try to find the easy way out, but Scott stuck to his word. He said, "We've got a budget problem. I intend to work with people from both parties to solve the problem, but we're not going to solve the problem by raising the taxes in a State whose taxes are already too high." And he stuck to his word, and Wisconsin is going to be better off for having a Governor who sticks to his word.

I appreciate the fact that he is working to hold down spending. That's what I'm going to do in Washington. And yesterday I sent a pretty clear signal, I intend to bring some fiscal discipline to Washington, DC. We've got a process called the supplemental budget process. It's an opportunity for the Congress to fund emergency needs. And we needed extra funding for our military, and we needed funding for homeland security, and we needed extra funding to fulfill the commitment to the citizens of New York. But Congress, in its willingness to spend your money, added 5 billion extra dollars. And what made that interesting was that in order to spend any of the extra 5 billion, I had to spend it all. In other words, you either spend all the 5 billion, Mr. President, or you don't spend a dime. They made their position clear. I made mine yesterday clear: We're not spending a dime.

It is important for those of us who have—in charge of the people's money to be fiscally sound and responsible. It's important to set priorities and make sure the appropriators stick to those priorities. And that's what Scott's done here in the State of Wisconsin. It's an important signal to send. During tough times, you've got to have somebody who's willing to make tough decisions. And that's what a leader does.

A leader is also somebody who understands that every child must be educated. I used to say that education is to a State what national defense is to the Federal Government. The most important priority of a Governor is to insist that there be quality education.

We passed a good piece of legislation out of Washington—which passes power out of Washington, DC, because I believe in local control of schools. But it also says, we're going to set the highest of high standards for every child. Scott knows what I know, that if you set low standards for children, you're going to get low results. If you expect mediocrity, you'll have mediocre students. We believe every child can learn and therefore are willing to insist upon high standards for every child.

And as importantly, I insist, and so does Scott, that we measure, that we hold people to account. See, if you believe children can't

learn, you don't measure. But if you believe they can learn, you measure to see whether or not they are learning. And if they are, there ought to be praise for the teachers. But when we find children trapped in schools that won't teach and schools that won't change, it is essential you have leadership that demands something other than the status quo.

I appreciate Scott's vision of public education, and I believe under his leadership, the public education system here in Wisconsin will demand excellence. And by demanding excellence, our children will start to learn. No child in this country ought to be left behind.

I also appreciate Scott's integrity and his decency. He's a down-to-earth fellow. As we say down in Crawford, Texas, he doesn't have a bunch of fancy airs. What you see is what you get. And that's important. That's important for people in politics, to say what they mean and do what they say. You know, we've got a lot of good talkers in the political process, a lot of people who spin fancy promises. What the State needs here and what I believe we need in Washington are people who just say what they believe, work hard with people of both political parties to achieve it—in other words, be willing to be judged on accomplishment. And when people in Wisconsin judge this man on his accomplishments, they're going to put him back in the Governor's chair.

I appreciate Scott's understanding the role of Government is not to create wealth; the role of Government is to create an environment in which the producer and the entrepreneur can flourish. And that's an important distinction between he and how some of the others think. The other people think that Government is there to create wealth, that Government is the answer. Scott knows what I know, that you've got to trust the people. You trust the people with their own money. You trust the people with their own ambitions. You create an environment in which people, no matter where they're from or what they're like, can achieve their dreams. That means good regulatory policy; that means good tax policy; that means good fiscal policy. And that's the kind of Governor he

has been, and that's the kind of Governor he will be.

Not only do I appreciate the chance to come and talk about Scott, I appreciate the chance to come and briefly talk about the hurdles our country faces, the challenges we face. Yesterday we had a fantastic event in Waco, at Baylor University. As I needled the crowd that came down there, I said, "I appreciate welcoming you to the middle of Texas in the middle of August." [Laughter] That's a heck of a commitment. [Laughter] We had people from all walks of life. We didn't ask their party registration. We just said, "Would you like to come and discuss your concerns about the economy?" We had laboring people and union heads and entrepreneurs and small-business people and farmers and ranchers, grandmothers. We had all kinds of people. It was a very interesting session because it showed that there is a concern. But it also showed me that we've got great strength in this country to deal with the economic challenges we face.

I heard over and over again that even though the statistics look pretty good these days, that people's confidence had been somewhat shaken. Nevertheless, they were confident in the long term of the American system. They're confident that so long as we have the right policies out of Washington, the entrepreneurial spirit would flourish. They were confident, if we make right choices when it comes to tax and fiscal policy, the economic growth will continue. I mean, after all, when we first got into office, we endured three quarters of economic negative growth. And then the last three quarters have been positive. So the trend is in the right direction. And interest rates are low. Inflation is low. Productivity is up. Consumer spending is strong. I mean, the ingredients for economic vitality are there.

But there are some more things we need to do, we need to make sure that not only is Congress fiscally responsible, we need to make sure that the tax cuts we passed become permanent. Now, we cut taxes at the right time. You see, Scott and I understand that if you let a person keep more of their own money, the person is going to demand a good or a service. If they demand a good or a service, somebody is going to produce

the good and service. And when somebody produces the good and service, somebody is likely to find work. That's how the economy works.

In Washington, and I suspect here in Wisconsin, there are some who say, "Let's don't trust the people with their own money. Let's raise the taxes. Let's prevent tax reductions from going forward." There would be nothing worse for our economy than to take money away from the people who make the economy grow. We need to make the tax relief plan passed permanent. I say you need to make it permanent because under a quirk in the Senate law, all the work we did ends 10 years from the time I signed the bill. That's kind of an odd piece of legislation. It's one where you reduce something, and then 10 years later, it pops back up. That's why we need to make it permanent.

And we also need to make the repeal of the death tax permanent. The death tax is terrible on entrepreneurs, terrible on Wisconsin farmers, terrible on small-business owners. It's a terrible tax when you tax a person's assets twice.

No, I believe our economy is going to make good progress. I particularly believe, if Congress does the right thing, that we can make substantial progress. They did the right thing on trade, by the way. For the first time in a long time, I now have what's called trade promotion authority. And I understand good trade policy will yield good jobs. If you're confident about something, you try to promote it. I'm confident about the American people's ability to out-produce anybody in the world. I'm confident that Wisconsin farmers are the best in the world. I'm confident that our high-tech entrepreneurs are the best in the world. I'm confident that we can compete with a level playing field. I intend to use trade promotion authority to sell U.S. products abroad, which will be good for high-paying jobs here in America.

I believe in terrorism insurance. There are over \$8 billion of construction projects which have been delayed because people can't get terrorism insurance. For the sake of hard-working Americans, for the sake of visionaries who want to build, Congress must have a terrorism insurance bill on my desk as soon

as possible, a bill which rewards hard work, not trial lawyers.

We need an energy policy that promotes renewable energy, that uses technology to conserve more, but we need an energy policy that encourages environmentally friendly exploration at home. It is not only important for our economic security that we have an energy policy, it is important for our national security that we're less reliant on foreign sources of crude oil.

No, I believe we can make great progress and we'll continue to work with people of both political parties to create the environment necessary for our entrepreneurs to flourish.

And one thing is certain and one thing now people understand, that if you cook the books, you're going to be held to account. If you do not tell the truth to the American people, there is going to be a consequence. I signed, as Scott mentioned, the most comprehensive corporate reform since Franklin Roosevelt was the President. It should send a chilling effect on those who want to fine-print the American people. It should send a chilling effect to those who believe they can use fancy accounting footwork in order to achieve some kind of short-term objective. I've got a Corporate Fraud Task Force that's going to find those who have committed fraud, arrest those who have committed fraud, prosecute those who have committed fraud.

The American people have got to trust the books of corporate America. I trust, by far, the vast majority of people who run corporate America. I proudly wear a pair of Allen Edmonds shoes every day. *[Laughter]* I know my friend who runs Harley Davidson is here. These are great corporations. They're corporations because the CEO has decided to set the right kind of example by not only treating employees with respect but by understanding they've got an obligation to shareholder as well. I signed a good piece of legislation. We'll enforce the law. And Americans can be confident—can be confident that if somebody cheats them, there's going to be a consequence. And they need to be confident that by far, the vast majority of our corporate leaders are honest and decent and honorable people.

We're making progress on the economic security of the American people. We're making progress on the homeland security for the American people. My most important job is to do everything we can to protect the homeland, is to prevent the enemy from hitting us again. And I sent up a pretty significant proposal to do just that. There's over 100 agencies in Washington, DC, that have got some part of the responsibility of protecting the homeland. It kind of makes it hard to hold people to account when there is 100 agencies scattered around. And so for the sake of setting priorities and for the sake of changing agencies' cultures so that they focus on homeland security, I proposed to Congress that we have a Cabinet office, a Cabinet agency involved with protecting our homeland—we move key agencies within an umbrella organization.

And we're making progress there. We're making progress because the House of Representatives passed a pretty good piece of legislation which will allow me and my Cabinet Secretary to put the right person at the right place at the right time in order to protect the homeland.

And now the Senate must act. But the problem is, the first blush of the Senate legislation shows that some Senators are more concerned about protecting their turf than they are protecting the American people. Some Senators are more worried about special interests than the interests of protecting the homeland. I'm not going to accept a piece of legislation which gives us a book this thick of bureaucratic rules, thereby hamstringing the capacity of this administration to protect the American people.

There's a lot of people—there are a lot of people working hard to protect us. There really are. They're working overtime. Anytime we get a hint or a piece of evidence, we're running it down. We take everything seriously here in America about—as to whether or not somebody might be trying to come and hurt American citizens. But the best way to protect the homeland is to chase the enemy down, one by one, and bring them to justice. That's the best way to protect the homeland, and that's what we're going to do.

It's a different kind of war than what we are used to. I guess the best way to describe

it, it's like we're on an international manhunt for coldblooded killers. These are people that hide in a cave and send youngsters to their death. They don't require a lot of equipment. They don't have tanks going across a field or formations of aircraft flying around. These are people that don't value life and hate freedom. They don't care whether innocent people die, and they hate the fact that we value life here in America. They can't stand the fact that we worship freely, that we welcome all kinds of religions, that our Government is not a Government that promotes a religion. Our Government promotes freedom of religion. It irritates them.

And so long as we hold those values of freedom dear to our hearts, we're a target. But we're not going to change our values because some international killers don't like us. As a matter of fact, we're going to do something different. We're going to chase them down. We're going to unleash a great military. We're going to call upon a vast coalition. And no matter how long it takes—no matter how long it takes—we'll hunt them down, one by one, to protect our country and to secure our freedoms.

And we're making good progress. We're making good progress. In a little less than a year, we routed the Taliban. We upheld the doctrine, "If you harbor or feed a terrorist, you're just as guilty as the terrorists." And the Taliban found out what we meant. I want you all to tell your children, we went into Afghanistan not as conquerors but as liberators. And thanks to the United States and our coalition, young girls, many young girls now go to school for the first time.

And we didn't leave. We're helping that country build a democracy. We're helping that country rebuild herself so that she has a chance to be a prosperous nation at peace in her neighborhood. But there is still Al Qaida there in remote regions, and we've got brave troops who are hunting them down. And sometimes you'll read about it, and sometimes you won't. We have hauled in over 2,000 of them. One by one, we're finding them. It's not only the United States, but the Philippines or Spain, all kinds of countries are acting in concert. And a like number weren't as lucky.

But there's more work to do. There's more work to do. And I just want to assure you that I haven't forgotten September the 11th. I understand that history has called us into action. I'm never going to forget the love of freedom that the American States holds dear. I believe in our values. And so long as anybody is out there trying to bunch up or individually come and hurt us, my job is to act and act decisively. And that's exactly what our Government is going to do.

And so when you read about the defense budget I've submitted, I hope I'm giving you a flavor as to why I did ask for the largest increase in defense spending since Ronald Reagan was the President. I believe anytime you put your troops into harm's way, they deserve the best pay, the best training, and the best possible equipment.

And I know it's important to send a signal to our friends and our enemies alike that the United States is in this for the long haul, that there isn't a calendar on my desk that says, oh, by such and such a date, we're going to quit; we're just going to stop. That's not what America is about. We love freedom. We understand we have an obligation to defend our freedoms.

But you need to know how I feel. I feel that by leading this coalition and by remaining strong and determined and patient, that we can achieve peace, peace in parts of the world that have given up on peace. I think we can have peace in the Middle East—I really do—by being strong and determined, by fighting terror and—on the one hand, and promoting democracy on the other. I believe we can achieve peace in South Asia. I believe we can achieve peace here at home. And that's my goal, and that's my dream.

See, I believe out of the evil done to America is going to come some incredible good. At home I'm already beginning to see the signs of the good that's coming. See, people understand that—and people have asked the question, what can they do to help in the war against terror? And my answer was, love a neighbor like you'd like to be loved yourself. If you want to fight evil, do some good. If you want to be a part of a war on terror, love somebody in need. It's the gathering momentum of millions of acts of kindness

and decency which show the world the true character of America.

People have said, "What can I do to help?" And my answer is, serve something greater than yourself. Serve something greater than your own personal satisfaction, your own personal bottom line. Being a patriot in America, in my judgment, understands that when one of us suffers, all of us suffers. But I also understand Government can't do everything. We can write checks, but we can't put hope in people's hearts or a sense of purpose in people's lives. That requires neighbor loving neighbor, that requires faith-based programs flourishing throughout Milwaukee. You've got some fabulous faith-based programs here in Milwaukee. I know; I've seen them first hand. I've seen the power of faith work magic in people's lives, right here in your neighborhood.

And so my call to you is, if you want to be a patriotic American, help a neighbor in need. It doesn't take a lot. Mentor a child. And I don't mean mentor a child on a kind of a haphazard basis. I mean, take a child and mentor that child for a while, until that child becomes literate. Or go into a shut-in's house and say, "I love you," on a daily basis or a regular basis. Feed somebody who needs some food. Help somebody find some shelter.

America is going to change, one heart, one soul, one conscience at a time. Many in your community understand one person can't do everything, but one person can do something to be a part of a cultural change which welcomes a new era, one different from the old times when it said, "If it feels good, go ahead and do it, and if you've got a problem, blame somebody else," to a new era in which it says, "We're all responsible for the decisions we make in life." We're responsible for loving our children. We're responsible for helping a neighbor in need. We're responsible for the quality of the community in which we live.

Flight 93 was a defining moment in many ways. It was a time when people heard that the airplane was going to be used as a weapon. They made a conscious decision to serve something greater than themselves, to save life. History will note that they said a prayer, told their loved ones goodbye. A guy said, "Let's roll," and they took the plane into the

ground. It's a symbol of what is happening in America, that people understand to be a patriotic America is to serve something greater than yourself. No, out of the evil done to America is going to come some incredible good, a more compassionate, a more decent, a more hopeful America.

I want to thank you all for coming to help this good man. May God bless you all, and may God bless America.

NOTE: The President spoke at 11:55 a.m. in the sports and entertainment arena at the Bradley Center. In his remarks, he referred to Laurie McCallum, wife of Gov. McCallum, and their children, Zachary, Rory, and Cara; Wisconsin State senator Mary E. Panzer; and Craig Leipold, financial chairman, McCallum for Governor, 2002.

Remarks at the Iowa State Fair in Des Moines, Iowa

August 14, 2002

Thank you all very much for that warm welcome. I came off the—I came off my ranch today in Crawford. There are not many places that would kind of lure me away, but the Iowa State Fair is one. It's an honor to be here. I'm proud—it's good to see so many friends and friendly faces. I think back with fond memories of my travels through this beautiful State—and I mean it's a beautiful State. God has—God has blessed Iowa and the citizens of this great State.

I was hoping to get here in time for the chicken-calling contest—[*laughter*—]or the hog-calling contest, but they tell me that they've got a ladies husband-calling contest. I think Laura entered this morning.

I'm sorry she's not with me. She's in Texas. She's actually working today in the Austin area. But I send her greetings, and I can't tell you how proud I am with Laura. She's a great First Lady. I'm really lucky she said yes when I asked her to marry me. Some of her friends in Texas are wondering how lucky she was. [*Laughter*]

But I'm so glad you all came. I want to talk about some of the challenges that face America. I want to talk about how to make sure our economy is strong. I want to tell you that we're doing everything we can to protect the homeland. And I want to assure

you, I'm going to do what it takes to win the war on terror.

I appreciate so very much my friend Congressman Greg Ganske for his introduction, and I appreciate his service to the constituency here in the Des Moines area. Greg, thank you for coming. I want to thank our Secretary of Agriculture, Ann Veneman. She's doing a fabulous job. She understands farming and ranching, and she's working hard on behalf of the hard-working farmers and ranchers here in America. I appreciate your Governor coming. Governor, thank you for being here. I'm honored you took time to be here. Governor Vilsack, thanks for coming.

I want to thank Dave Huinker for inviting me to come and setting up this nice little place where we can have a chat about America. I want to thank the boards of directors of the State fair, and I appreciate hard-working Americans for being here as well.

I'm honored to be your President. I understand, and you know, that this economy of ours is challenged. Anytime somebody wants to work and can't find a job, says to me we've got a problem. We've got good, hard-working Americans who are trying to put bread on the table for their families, and they can't find a place to work, then we better do something about it. We better get to work.

When I came into office, we were in a recession. We had three quarters of negative growth. Then the enemy hit us. And then a scandal that had been brewing all of a sudden comes up to the surface, and we found out some people who knew better were cooking the books. But these challenges are pale in comparison to the strength of America. Our farmers and ranchers are the most productive in the world. Our working people can outwork anybody. Our entrepreneurs are more visionary. Interest rates are low. Inflation is low. Productivity is up. Consumers are buying. The foundation for growth is there, but we've got work to do. We've got work to do.

And I really believe that work should start with making sure we've got a strong farmer economy. I believe the backbone for a good American economy is a good farm economy. I spend a lot of time talking about national security, but one thing I don't have to worry

about is the lack of food for the American people. Thank goodness, thanks to the American farmers, we've got more food than we need here at home.

One way to help create jobs in America, better jobs for American workers, is to trade. Oh, I've heard the excuses. They say, "Well, trade is going to cause jobs to leave America." I just don't believe that. I believe when you're good at something, you ought to encourage that which you're good at. I believe when you're the best in the world, you ought not to limit capacity but expand capacity. And one place we're the best in the world is growing things, and we ought to be opening markets for Iowa farmers all over the world.

Farmers are, I'm sure, skeptical when they hear about trade. After all, the agriculture sector had been kind of a part of trade negotiations. Then when times got tough, they just kind of tossed the farmers aside, said they'd rather focus on computer chips than corn chips. But those days have changed. Those days have changed.

See, I understand you start with strength when it comes to playing the American hand. I understand that if you're interested in economic security for every American, you do what you're good at. And what we're good at is growing food and hogs and cattle. And it's my job and the job of this administration, now that I've got trade promotion authority, to do everything we can to knock down the barriers so you can be selling your products all over the world.

The United States was only party to three trade agreements during the past years. There are 190 of them done around the world; we're only party to 3. But those days have ended. My man Zoellick, who is a trade guy, and Ann Veneman are going to work hand in hand to make sure that agriculture is the cornerstone of good international trade policy. And it needs to be. After all, when you look at the tariffs in other countries, it's prohibitive for U.S. product. I mean, we sell now about a billion dollars' worth of soybeans and soybean products around the world. But in our own hemisphere, the tariffs on soybean products can reach as high as 65 percent. Imagine what can happen when we reduce those tariffs, reduce those barriers, level the playing field for America's great farmers.

No, if we could get rid of all the barriers around the world, it's estimated that \$13 billion of trade, \$13 billion of commerce, would flow in our agricultural sector on an annual basis. That means people would be able to make a living on the family farm. That means that the hard work you do will be realized in fair and reasonable prices.

One of the things we're going to do is to make sure that we're not on the sidelines of international trade and open up markets. It's in our Nation's interests to do so for our farmers and ranchers. It's in our Nation's interest and also for our working people too. It's a fact that when you trade, we get better jobs here in America. It's a fact that when you don't seal ourselves off from the rest of the world, our working people are able to realize a better living.

I want you to understand this statistic. Caterpillar right now is beginning to move product around the world. Yet in Chile—they're trying to move something into Chile for that economy—there's a \$15,000 tariff on a motor grader. Imagine what would happen if we had a free trade agreement with Chile, which we're going to work hard to do. All of a sudden, those motor graders move a lot quicker, because they're the best in the world. But guess what happens when we sell them into Chile? Somebody else is going to find work here in America. We've got to produce American goods and sell them overseas. It's in our workers' interests to do so.

The head of John Deere is here with us today, and he tells me one out of every four tractors produced at John Deere's largest U.S. factory in Waterloo, Iowa, is sold overseas. That means somebody's earning a living on that plant floor. That means one of your fellow citizens is more likely to be employed. The more tractors John Deere sells overseas, the better off it is for Iowa workers. You see, trade is not only good for the farmers and ranchers, the entrepreneurs, and the high-tech people; trade is good for the working people here in America. And I intend to make America a free trading nation.

But there are other ways to make sure our economy remains strong. Greg talked about my understanding of the need to develop renewable sources of energy. You see, there's a chance, if we do good things on research

and development, there's a chance, if we continue wise policy as regards ethanol, we can grow our way to become less dependent on foreign sources of crude oil. It's in our Nation's interest that we become less dependent on foreign sources of energy.

We need to make sure that, in order for our economy to be strong, for the farm economy to remain strong, that the tax relief package we passed is permanent. When your economy slows down, it is very important to let the people keep their money. You see, when a person has more money in their pocket, they're likely to demand a good or a service. And when they demand a good or a service, somebody is going to produce the good or a service. And when somebody produces a good or a service, somebody's going to find work. The tax relief package that we passed came at the right time for America. Unfortunately, because of a quirk in the law, it goes away after 10 years. Unfortunately, it is not permanent. For the sake of our farmers and ranchers, for the sake of the small-business owners here in America, for the sake of people who need to plan, Congress needs to make the tax relief permanent.

Yesterday we had an economic summit in Baylor University in Waco, Texas. I told them, I said, "Welcome to the middle of Texas in the middle of August." [*Laughter*] They must have had something on their mind, and they did. One of the things we heard over and over again from our small-business people and from our farmers and the ranchers that were there was how terrible the death tax is. I mean, people wonder about, how do you keep the farm in the family? One way you keep the family farms intact is not to tax a person's assets twice. Part of that tax relief plan I'm talking about was the repeal of the death tax. It comes back after 10 years. That's bad public policy. I strongly urge the farmers and ranchers here and those who own small businesses to demand that your elected representatives repeal the death tax once and for all.

There's other things we can do and must do. We've got to have fiscal responsibility in Washington, DC. We've got to make sure we don't overspend. Every project sounds fantastic. Every idea is worth funding in Washington, but that's not reality. It's important

to set priorities with your money and to make sure we stick to those priorities.

Congress sent me what they call a supplemental spending bill. There was a healthy amount of money in there for fighting the war on terror and protecting our homeland, which I thought we needed. But they added 5 billion extra dollars, including a new building to house the worm and bug collection of the Federal Government. And they put a stipulation on the money. The Governor will appreciate this. They said, "Either you spend it all, or none of it." Those of us in the executive offices don't particularly like that kind of language. "Either you spend it all, or you spend none. Either you spend everything we think is necessary, including the house for bugs and worms, or you don't spend any of it." Well, they made their decision. I made mine: We're not spending any of the extra \$5 billion, for the sake of fiscal sanity in Washington.

There's a lot of things we can do. We need a terrorism insurance package to get our hardhats working again. There's over \$8 billion worth of projects, large projects, which are stalled in America because we can't get terrorism insurance to the developers. Congress needs to pass a good bill which understands putting the hardhats back to work is good for the American economy.

But there's one other thing we need to do here in America. We need to take some of the good, old-fashioned farm values and make sure they're a part of our culture. I'm talking about values of hard work and honesty. I'm talking about telling the truth. I love the priorities of our farm families: faith, family, and telling the truth and being honest and upright. And corporate America needs to hear that signal.

By far, the vast majority of our corporate leaders are good, honest people, no question about it. You've got some of the great corporations here in Iowa, people who run—companies run by people who care deeply about their shareholders and their employees. But I want to assure you of something. If we find somebody cooking the books, we find somebody not being open and honest, we find somebody trying to get ahead by sleight of hand, they will be prosecuted and they will be—they will be held to account.

We can't stand for corporate corruption to corrupt America.

No, we're making progress. We're making progress. We've got a lot of work to do. But I'm optimistic about the economic security of America, because I understand America. I know we've got great people, hard-working citizens. I understand the vibrancy of our entrepreneurial class. I see and hear the vision of people that are dreaming new dreams. I know there's new businesses being started up all around the country. No, we may have hit a bump in the road. But that road is going to smooth out, and people are going to find the economic security they want here in America. But we're not going to rest until that security is throughout the entire country.

We've got another big calling here, too, and that's the homeland security for our country. People wonder, you know, "Why is it that an enemy would want to hit America?" And my answer is pretty simple. It's because we love freedom, and they don't. It's because we value a society in which people are able to worship freely and speak their mind freely and read a free press, and the enemy can't stand it. And they're out there. They're out there, and they hate us. And plus, they don't value life like we do here in America. Every life matters in this country. Every person's got standing, as far as we're concerned. They don't believe that.

And so long as they're out there, we will do everything we can to protect the homeland. There are a lot of really good people at the Federal, State, and local level working hard to protect America. Anytime we get a hint, anytime we get a piece of evidence, we're moving on it, to disrupt whatever plans they may have.

In order to do as good a job of protecting our homeland as possible, I have called upon Congress to create a new Department of Homeland Security. I concede I didn't run for Government saying, "Vote for me. I want our Government to be bigger and more cumbersome." I said, "I want our Government to be effective and to work." And we particularly need an effective Department when it comes to homeland security.

There's over 100 agencies there in Washington that have got something to do with homeland security. I mean, there's just too

many of them. It's hard to hold people to account when you've got 100 agencies scattered all over the Nation's Capital. So in order to protect our borders better, in order to be able to deal with first-responders and bioterrorism, I said, "Why don't we collect most of them under one umbrella, give them one boss, give them a chance to set a single priority, which is protecting the homeland?" Oh, I understand that agencies like the Coast Guard will do other things. But protecting our homeland is the number one priority of this Government.

And so therefore, I expect and the American people expect Congress to work with us to give us the tools necessary to protect the homeland. And the House of Representatives made a good start, but the Senate looks a little shaky. The Senate looks like they want to micromanage how we can run the Department of Homeland Security. They want to protect their turf. But their turf isn't nearly as important as the security of the American people. I expect the Senate to give me a bill that will allow me to move people to the right place and the right job and the right time on behalf of the security of the American people.

But the best way to secure this homeland is to hunt the killers down one by one and bring them to justice, and that's what this country is going to do. It's going to take a while. It's going to take a while because, after all, unlike previous wars where you can see these battalions and divisions moving across plains and hedgerows and see aircraft flying in formation, this is one of these wars where people are going to hide in a cave and then they send some youngster to his death. That's the kind of war we're fighting.

But we're patient. We're a patient country. And we're disciplined, and we're united, because we understand history has called us into action. History said, you know, what are we made out of? We're about to show the world what we're made out of. We love our freedoms. No one is going to take them away from us. And we've got a fantastic United States military to back us up.

I called on Congress to pass the largest defense appropriations bill since Ronald Reagan was the President for two reasons: One, any time we put our soldiers into harm's

way, we better make sure they've got the best pay, the best equipment, and the best possible training. Secondly, we're sending a pretty strong message to the rest of the world that we're not quitting, that America understands our obligations and responsibilities to future generations, that we love freedom, that we love our—the ability to live a free life. And therefore, we're going to remain vigilant and strong and lead a mighty coalition against those who would try to take away our freedoms.

And we're making progress. We're making pretty good progress. We've hauled in or captured—however you want to put it—brought to justice over a couple of thousand of them. And a couple of other thousand weren't so lucky. But they're still out there. They're out there. And they just have got to hear the message from America loud and clear: You can't hide; you can't run. Slowly but surely, we're going to bring you to justice.

I hope when we get back from our—what they call a recess, the August recess, that Congress acts quickly on the defense appropriations bill. Sometimes they like to play politics with the defense appropriations bill, but we're at war. We don't need any politics with the defense appropriations bill. I want to sign the bill as soon as possible after we get back. It's important for our military. It's important for our planners.

I believe we've got some hurdles ahead of us, but there's no question we're going to—we'll deal with them, because we're America, a fantastic country. I believe that out of the evil done to America is going to come some incredible good. I believe, sure as I'm standing here, that if we remain tough and strong in the war against terror, that we'll bring peace to the world; that by being steadfast in our love, we can achieve a peace that's important for future generations of Americans, but equally as important for future generations of children growing up all around the world. We have that chance, and I believe it's going to happen.

And I know, here at home—I know, here at home, that we have a chance to change America for the better. There are pockets of despair and hopelessness in this land of plenty. There are people who really wonder whether or not the American experience is

meant for them. So long as one of us suffers, all of us suffer. But I know that America can change, one heart, one soul, one conscience at a time. I like to put it this way: One of us can't do everything, but each of us can do something to help make America a more compassionate place.

I was joined at Air Force One by Erika McCroskey today. She's from right here in the Des Moines area. Erika, stand up for a minute, will you? Erika is an AmeriCorps volunteer. She decided she is going to do something with her life by helping others. I was reading that—and Erika, she's going to Bolivia to help somebody in need there. I said, "Erika, why are you going?" She said, "My mother raised me in the spirit of service." You see, the great strength of America are the Erikas. I call them soldiers in the armies of compassion, people that don't need a Government law to tell them to love a neighbor just like they'd like to be loved themselves, people who have heard a call that's much bigger than Government.

You know, our fellow citizens say to me, "What can I do to help in the war against terror?" I tell them to love somebody in need. If you want to fight evil, do some good. What's happening in America as a result of the attack is that people are now understanding that patriotism is more than just putting your hand over your heart and saying the Pledge of Allegiance with the words "under God" in it. A patriot—a patriot—a patriot is somebody who assumes the personal responsibility to help somebody in need. And that's happening in this country. Our culture is changing from one that has said, "If it feels good, just go ahead and do it, and if you've got a problem, blame somebody else," to a culture in which each of us understand we're responsible for the decisions we make in life; if you're fortunate enough to be a mom or a dad, you're responsible for loving your children with all your heart and all your soul; that you're responsible for helping people in need, that you're responsible for a society that hurts sometimes, and that you're responsible for helping somebody who's just calling out for a little love and some attention.

No, if you want to help in the war against terror, do some good. It's what I call the

gathering momentum of millions of acts of kindness, which are defining the true character and the true nature of our country. No, the enemy hit us. The enemy had probably thought we'd file a few lawsuits or two. But they realized we're a little different than that. This is a strong nation, a nation of deep character, a nation that can overcome problems, and a nation that will see to it that out of the evil done to America is going to come some incredible good.

Thank you all for coming today. And may God bless you, and may God bless America.

NOTE: The President spoke at 2:50 p.m. at the machinery grounds at the Iowa State Fairgrounds. In his remarks, he referred to Gov. Thomas Vilsack of Iowa; Dave Huinker, president, 2002 Iowa State Fair Board; and Robert W. Lane, chairman and chief executive officer, John Deere. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Proclamation 7582—National Airborne Day, 2002

August 14, 2002

By the President of the United States of America

A Proclamation

The history of Airborne forces began after World War I, when Brigadier General William Mitchell first conceived the idea of parachuting troops into combat. Eventually, under the leadership of Major William Lee at Fort Benning, Georgia, members of the Parachute Test Platoon pioneered methods of combat jumping in 1940. In November 1942, members of the 2nd Battalion, 503rd Parachute Infantry Regiment, conducted America's first combat jump, leaping from a C-47 aircraft behind enemy lines in North Africa. This strategy revolutionized combat and established Airborne forces as a key component of our military.

During World War II, Airborne tactics were critical to the success of important missions, including the D-Day invasion at Normandy, the Battle of the Bulge, the invasion of Southern France, and many others. In Korea and Vietnam, Airborne soldiers played

a critical combat role, as well as in later conflicts and peacekeeping operations, including Panama, Grenada, Desert Storm, Haiti, Somalia, and the Balkans. Most recently, Airborne forces were vital to liberating the people of Afghanistan from the repressive and violent Taliban regime; and these soldiers continue to serve proudly around the world in the global coalition against terrorism.

The elite Airborne ranks include prestigious groups such as the 82nd Airborne Division, "America's Guard of Honor," and the "Screaming Eagles" of the 101st Airborne Division (Air Assault). Airborne forces have also been represented in the former 11th, 13th, and 17th Airborne Divisions and numerous other Airborne, glider and air assault units and regiments. Paratroopers in the Army's XVIII Airborne Corps, the 75th Infantry (Ranger) Regiment and other Special Forces units conduct swift and effective operations in defense of peace and freedom.

Airborne combat continues to be driven by the bravery and daring spirit of sky soldiers. Often called into action with little notice, these forces have earned an enduring reputation for dedication, excellence, and honor. As we face the challenges of a new era, I encourage all people to recognize the contributions of these courageous soldiers to our Nation and the world.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim August 16, 2002, as National Airborne Day. As we commemorate the first official Army parachute jump on August 16, 1940, I encourage all Americans to join me in honoring the thousands of soldiers, past and present, who have served in an Airborne capacity. I call upon all citizens to observe this day with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this fourteenth day of August, in the year of our Lord two thousand two, and of the Independence of the United States of America the two hundred and twenty-seventh.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., August 16, 2002]

NOTE: This proclamation was published in the *Federal Register* on August 19.

Memorandum on Military Drawdown for Tunisia

August 14, 2002

Presidential Determination No. 2002-28

Memorandum for the Secretary of State, the Secretary of Defense

Subject: Presidential Determination on Military Drawdown for Tunisia

Pursuant to the authority vested in me by the Constitution and laws of the United States, including title III (Foreign Military Financing) of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107-115), I hereby direct the drawdown of defense articles and services from the stocks of the Department of Defense, and military education and training of the aggregate value of \$5 million for Tunisia, for the purposes of part II of the Foreign Assistance Act of 1961, as amended.

The Secretary of State is authorized and directed to publish this determination in the *Federal Register*.

George W. Bush

Remarks at a Dinner for Gubernatorial Candidate Doug Gross and the Republican Party of Iowa in Des Moines

August 14, 2002

Thanks for such a warm welcome. It seems like only yesterday I was at the Ames Straw Poll. [Laughter] I guess you could say I cut my Presidential teeth right here in the State of Iowa.

I want to thank you all for coming today. I'm honored to be here to proudly support the next Governor of the State of Iowa, Doug Gross. They tell me he grew up on a farm with nine brothers and sisters, so many kids they didn't need any machinery. [Laughter]

The truth of the matter is, all they've got to do is make sure all those brothers and sisters vote, and it will be a landslide. [*Laughter*]

I'm honored to be here with the next first lady of the State of Iowa, Eileen Gross. Doug and I both married above ourselves. [*Laughter*]

Speaking about my wife, she's in Texas today. She sends her greetings to our many friends who are here. I'm sorry she's not with me, but I can tell you, I am incredibly proud to be married to such a fine lady and a person who is making a great First Lady of the United States.

I want to thank all of you all for coming. I want to thank you for helping Doug to this point. I want to thank you for what you are going to do, which is to turn out the vote, to go to your coffee shops, your churches or your synagogues and your community centers, and tell the people of Iowa what a good man this guy is, a man who believes in family, a man who has got deep faith, a man who is going to bring credit to the Governor's office of the State of Iowa.

I'm pleased that we're joined here today by my friend the next United States Senator from Iowa, Greg Ganske. And when you put Ganske in there in the Senate, you're going to have two fine United States Senators, nobody better than Chuck Grassley in the United States Senate. We've done a lot in Washington, a lot of positive things. And a lot of it had to do with his leadership. I'm sorry he's not here to hear me bragging about him. But if you see him, tell him.

And you've got Jim Nussle, who is the chairman of the budget of the House of Representatives. Nussle has done a fantastic job of making sure we've got a sound budget, that he represents the taxpayers of the United States in a great way. I want to thank you for coming, Jim.

I appreciate so very much two fine Governors, or former Governors, who are here with us today, people who mentored Doug, who taught Doug how to manage a Governor's office, and that of course would be Bob Ray and Terry Branstead.

We've got some fine Members for the United States House of Representatives with us today, Iowa State senator Steve King, and

Stan Thompson, both candidates who are going to win and help us in Washington, DC.

I want to thank so very much Debi Durham, who is going to be the next Lieutenant Governor of the State of Iowa. Thank you, Debi.

I appreciate so very much my friend Chuck Larson, who is the chairman of the Republican Party. And I want to thank all the grassroots activists who are here. Those of us in office never can thank people enough for the grassroots work that goes on in the precincts all across the State of Iowa and all across our country. Many of you have worked tireless hours on our behalf, and both of us, both Doug and I, thank you from the bottom of our heart.

I was working the State fair today, and a proud grandfather, an uncle, I think it is, came up and said, "Have you ever heard of Jeff Clement?" I said, "Yes, I know a little something about baseball. I've heard of the fellow. He's a boy from Marshalltown—Texas. He has the high school home run record." Believe it or not, Jeff is here with us today. Jeff, I want to thank you for coming, and congratulations on being a power slugger.

I not only appreciate Doug's smalltown values. By those, I mean values where, when he says something, he means it. Those are the kind of values you need in office. As you know, when people shake hands in smalltown Iowa and smalltown Texas and they say—they give you the word, they stick to that word. That's the way it works. And those are the values he'll bring to the statehouse here. When he says he's not going to raise your taxes to balance the budget, he means he's not going to raise your taxes to balance the budget.

He understands, if you tax things too much, you're going to get less of it. And what we need is more job growth. We need small businesses to flourish. This State doesn't need more taxes. It needs more jobs so people will stay here at home. And Doug understands that. He's got a creative program to increase the jobs here in the State of Iowa. It starts with fiscal sanity in your statehouse.

And, by the way, we need some fiscal sanity in Washington, DC, as well. One of my

big concerns is that we overspend in our Nation's Capital. Fortunately, we've got a good man like Nussle watching the budget. But recently—I don't know if you followed this or not—but recently, the Congress passed what they call a supplemental. It's a way to supplement appropriations. And we needed a supplemental to help fund the war on terror and a supplemental to help pay for homeland defense. But they sent over to me about \$5 billion we didn't need, \$5 billion of extra money. Part of that \$5 billion, by the way, was a new building to house the worm and bug collection of the Federal Government. It doesn't sound like an emergency to me. And the fine print of part of that supplemental said, "You either spend all of it, or you spend none of it. You've got to take the entire 5 billion additional dollars on top of what was needed for the military and homeland, or you don't spend any of it." And they made their position clear, and I made my position clear: For the sake of fiscal sanity, we're not going to spend the \$5 billion.

And that's the way Doug is going to lead as well. For the sake of fiscal sanity, you can't say yes to every single appropriations bill that comes. You've got to set priorities. You need to have a Governor who knows how to manage the office. A Governor who has got the ability to say no and the ability to say yes, but always remembering that the money that we spend in Government is not the Government's money, it's the people's money.

I look forward to working with Doug on farm policy. Today, at the State fair, I had the honor of talking to a lot of people who make their living off the land. By the way, one of my favorite statements, which is a true statement, is, if you own the land, every day is Earth Day. The people who care more about the quality of our environment are people who have to make a living off the land. And today I was able to talk to a lot of people who make their living off the land. And I assured them that in order for there to be economic prosperity in America, we've got to make sure our agricultural sectors are strong and vibrant. And that's why, one, I was proud to sign the farm bill, and, two, I look forward to working with Doug on not only research and development projects that will enable us to grow our way out of energy

dependence but to continue a good policy of promoting ethanol in America.

The thing I like about him the most is his passion for education. He better be passionate for education; he's got enough kids to educate. *[Laughter]* But he knows what I know, that the number one priority of any Governor has got to be to make sure every child in the State receives a quality education.

And let me tell you our philosophy. It starts with understanding and believing that every child can learn. You see, if you don't think any—every child can learn, then you set low standards. He believes and I know we must set high expectations for the public schools in Iowa and all across our country. He believes that every child has got the capacity to learn to read and write and add and subtract.

We passed a bill out of Washington, DC. It was a good piece of legislation, and one of the cornerstones of that bill says, we trust the Doug Grosses of the world. We trust the people of Iowa to set the path for excellence for every child in the State of Iowa. One size doesn't fit all when it comes to running the public schools. All power shouldn't be in Washington, DC. We ought to be trusting the local folks to run their schools. And when you have this man as your Governor, I trust him to run the schools.

But in order to make sure every child learns and no child is left behind, it is incredibly important that we measure, that we hold people to account, not to punish anybody but to determine if their kids are learning the basics. And if they are, we will continue to praise teachers. And for those of you who teach, thank you from the bottom of our hearts. But when we find children trapped in schools that will not teach and will not change, you better have you a Governor who is willing to challenge the status quo so children are not left behind. And I believe strongly, Doug will be that kind of Governor. He's not going to be beholden to special interests. The only interests he cares about is making sure no child in America, not one single child in the State of Iowa or in America is left behind.

No, we've got a good man here. I like to put it, when you find a good one in politics,

you'd better help him. And that's why I want to thank you all for this help. There's no question in my mind that with his hard work and his vision and his passion for people—bringing people together to get things done, on behalf of all of the citizens of Iowa, come this November, he's going to be the next Governor of your State.

Before I leave, I do want to share with you some of the challenges that our Nation faces. And one, of course, is economic security. The way I like to put it, anytime anybody who wants to work can't find a job, then we've got a problem. And so we've got to constantly think about how to create jobs in America. That ought to be the question of all of us in Government. What can we do to create an environment in which the entrepreneur or small business or producer can flourish? And I believe that starts not only with fiscal restraint in Washington, DC—and as I mentioned, I sent a pretty clear message the other day about my view of overspending.

I also know it has something to do with tax policy. Thank goodness we cut the taxes on the American people when we did. The way to help the Nation recover from recession is to let people keep more of their own money. Some of the folks in Washington don't understand that. They don't understand, if a person has more money, that person is going to demand a good or a service, and if they demand a good or a service, somebody is going to produce the good and service. And when they produce the good and service, it means somebody is more likely to find work. And that's the way the economy works.

But interestingly enough, not only did we reduce the taxes, but we did so on a temporary basis, because the Senate rules have it that after 10 years, the tax reductions revert to where they were. It's awfully hard for people who are trying to set up a business or run a farm to plan with uncertainty in the Tax Code. For the sake of long-term economic growth, for the sake of job creation, the United States Congress must make the tax reductions permanent. And that includes making sure that the repeal of the death tax is permanent.

I can't imagine what's going through the minds of these Senators and Members of the

House who do not want to get rid of the death tax. They must not understand what it does to the family farmer or the rancher or the small-business entrepreneur. We've got people coming to our country for the first time, they're starting their own business. It's a part of the dream of being an American. And yet our Tax Code is such that they have trouble leaving it to their heirs because their assets get taxed twice. That's not right. We put the death tax on its way to extinction. It's time you get you a Senator who understands that—two Senators who understand that in Iowa, and it's time for the Congress to make sure that the death tax is permanently repealed.

For the sake of economic growth, I'm going to promote trade. Confident people tear down barriers. And I'm confident in the American farmer, and I'm confident in the American entrepreneur, and I'm confident in the high-tech industry in America. I'm confident in our enterprise. And therefore, I want to level the playing field and tear down trade barriers all around the world, so we can feed the world. We're the best at what we do, and it's important for us to promote the best of what we do. For the sake of job creation, I'm going to use the newly earned trade promotion authority and aggressively promote free trade for American products.

No, there's a lot of other things we can do. We need a terrorism insurance bill. For those of you in the construction industry, you understand what it means to not be able to get insurance because of the premiums as a result of the potential threat of terror. And as a result of terrorism insurance premiums being sky high and not affordable, \$8 billion of commercial construction has been delayed or taken off the books in America. That means somebody who is wearing a hardhat isn't working. And this Congress needs to come together and get me a terrorism insurance bill so major construction projects can go forward, a bill which rewards hard-working Americans, not a bill which rewards trial lawyers.

No, the fundamentals of growth are strong in our economy. Inflation is down. Interest rates are down. Productivity is up. Consumers are still buying. But we have been shaken, no question about it. As a matter of

fact, the first three quarters when I was in office, we were in recession. However, the last three quarters have been positive growth, which is a good trend. And then the enemy hit us, and that shook our economy.

And then another enemy cropped up. After a while, it became apparent that some in our corporate America thought it was okay to fudge the books, thought it was okay to not tell the truth. Well, we got together, Republicans and Democrats, and passed the most significant corporate reform law since Franklin Roosevelt was the President. And here's my message to those who think they're going to cheat the shareholders or their employees: If you do, we're going to find you, arrest you, prosecute you, and put you in jail.

And we're making progress—and we're making progress. The American people must understand, by far the vast majority of people who are running corporate America are good and honorable, decent people, people who care deeply about their employees, people who understand they have a responsibility to their shareholders. No, we've got a hurdle to cross here in our economy, but I'm optimistic about America, and I'm confident in our future.

And I'm also confident we're doing everything we possibly can do to protect the homeland. My most important job now, and the most important job of the Federal Government, is to prevent the enemy from hitting us again.

I know there's a lot of kids here today who are probably wondering, "Why would somebody want to strike the United States of America? What is it about our country that creates a certain hatred toward us, toward our citizens?" And the answer is, people hate us—certain people hate us because we love freedom, that's why. We love the fact that people can worship freely in America. We love the fact that we can have political discourse in an open way. We love a free press. The more we love freedom, the more some hate America.

But the bad news is, for the enemy, we're always going to love freedom. We value our freedoms. It's what we're made of. It's what makes us shine as a beacon for many around the world. The Government of the United States is—spends a lot of time chasing down

every possible lead, every hint about somebody who might be thinking about doing something to America.

My job is to make sure our Government functions as well as it possibly can, and therefore I proposed a sweeping reform to our Congress. I recognized that there's over 100 agencies involved with homeland defense. I mean, they're scattered all over Washington. You've got them here, and you've got them there, and you've got them here, and it's kind of hard to bundle them up, to make sure that their number one priority is my number one priority, which is to protect the homeland. So I proposed a new Cabinet office, a new Secretary of Homeland Defense, responsible for making sure the agencies who have got something to do with homeland defense make homeland defense its number one priority, and making sure that cultures within the agencies change so that they can work together to defend the homeland.

I'll give you one example. On our borders, we've got all kinds of agencies down there. We've got the Border Patrol. We've got the Customs. We've got the INS. Sometimes they talk. Sometimes they don't talk. They've got different strategies even though they're in the same sector on the border. For the sake of protecting the homeland, we need to bring these agencies under one umbrella, with one major task: Protect America from future attacks.

And I want to thank Nussle and Ganske for working on a homeland defense package, which is a good package out of the House. It gives the administration—not only this administration but future administrations—the flexibility necessary to put the right people in the right place at the right time to create a culture of protection.

But it looks like we might be having a little slight problem in the Senate. See, if you look carefully at what they're doing, they're more interested in protecting their own political turf and their own jurisdictions than they are the American people. They want us to be hamstrung by a thick book of bureaucratic rules, because they have been more interested in special interests. The special interest I've got in mind is the American people, and I call upon the Senate to get me a good bill

so I can protect the homeland of the American people.

But the best way to get the homeland secure is to find the enemy, one by one, and bring them to justice. And that's what the United States of America is going to do. This is a different kind of war than we've been used to. It's—I guess the best way to describe it, it's the kind of war where the commanders hide in caves, and they send youngsters to their suicidal deaths. These people are—they kind of blend into, sometimes big cities, sometimes the countryside. They always find some place where the underbelly is soft, and they burrow in there. It's like we're on an international manhunt.

And we're making progress. We really are. We're using our intelligence services wisely. We're sharing intelligence with members of this vast coalition of freedom we put together. We've got a fabulous military, a lot of young men and women who are taking a risk on behalf of freedom. And we're hunting them down, one by one. We've arrested over 2,000 of these killers. Another like number haven't been quite so lucky. But there's more of them out there; there just are. You just need to know that. And so long as they're out there, and so long as they're threatening America, this Government is going to do everything we can to find them.

We don't seek revenge; we seek justice. And justice we're going to find. That's why I've submitted the largest budget since Ronald—defense budget since Ronald Reagan was the President. I wanted to make it clear to those who wear our uniforms and their loved ones and their families, when we put you in harm's way, you deserve the best pay, the best training, and the best equipment possible.

I also wanted to make it clear to the enemy and to our friends that history has called us to action. We understand that, and we're going to defend freedom. And we're going to do everything possible to secure freedom for our children. That's the message we're sending, that we're not fainthearted, but we're determined. We're resolved. We're united. We understand the moment, and we're not going to blink, and we're not going to yield.

The task at hand is pretty tough, no question about it, but so are we. We're plenty tough. But we're also plenty caring. I said loud and clear at one point, if you harbor a terrorist or feed one of those terrorists, you're just as guilty as the terrorists. And the Taliban found out exactly what the United States meant.

But we just didn't go into Afghanistan to conquer; we went in to liberate. It's important to remember that thanks to the United States and our coalition, young girls now go to school for the first time—some young girls go to school for the first time in Afghanistan. And we haven't left Afghanistan. As a matter of fact, we're helping democracy flourish there, and we're helping rebuild that country. No, we're a kind nation. We're plenty tough, but we're plenty kind.

I don't know what was going through the enemy's mind when they hit us. They must have listened to too much of the gossip shows or something, and thought that we were so materialistic, so focused on our own personal balance sheets, so self-absorbed, that after 9/11 all we might do is file a lawsuit or two. *[Laughter]* But they found out this is a different kind of nation than they thought. This is a determined people, a resolved people, a people who are willing to defend values, values that we hold dear.

Out of the evil done to America is going to come some good. Out of what was done to this country is going to come some incredible good. By being strong and united, by willing to stand tough in the face of adversity, we can lead the world to peace. And that's my goal. My goal is peace. By speaking plainly and clearly about what's right and wrong, about the effects of terror, we can not only achieve peace in America, I believe we can achieve peace in the Middle East and South Asia, countries and people that have given up on the hope of peace.

No, out of the evil done to America can come some incredible good, not only abroad but here at home. It's so important for us and for all of us to remember that in this land of plenty, there are pockets of despair, pockets of poverty, places where children say, "This American experience isn't meant for me." So long as people suffer, the whole

country suffers. And therefore, we must resolve as a nation to help eliminate those pockets of addiction and despair. Government can hand out money, and we do a pretty good job of that at times. But it's important to remember, what Government cannot do is put hope into people's hearts or a sense of purpose in people's lives. That's done when a loving citizen remembers the universal call to love a neighbor just like you'd like to be loved yourself. That happens when somebody mentors a child or feeds the hungry or goes and sees a shut-in, and says, "I love you." That's how that happens. You see, America can change, one act of decency at a time. I like to remind our fellow citizens that one person can't do everything, but each of us can do something to make our country a better place. People ask me, "What can I do to help on the war on terror?" You can love your neighbor just like you'd like to be loved yourself. It is the gathering momentum of millions of acts of kindness and decency which will define the true character of America.

No, out of the evil done to our country is going to come some incredible good. And part of that good is not only the understanding that you've got to serve something greater than yourself in life, part of it is to sacrifice to make the country a better place. And that sacrifice comes in all different ways. Perhaps the most dramatic sacrifice of all was on Flight 93. Citizens were flying across the country. They were told on their cell phones by their loved ones that their plane was going to be used as a weapon to perhaps destroy the White House or the Capitol. History will record, these brave souls told their loved ones they loved them. One of the last words was "love". They said a prayer. A guy said, "Let's roll," and they drove the plane in the ground. What a fantastic example—a sad example, but a fantastic example of serving something greater than yourself.

If you want to join in the war on terror, help somebody in need. Work hard to make your community a better place. Tell your children you love them every single day. Love them with all your heart and all your soul. No, I believe that out of the evil done to America is going to come some incredible

good, because this is the finest country, full of the finest people on the face of the Earth.

It is my honor to be here for your next Governor. Thank you all for coming, and God bless America.

NOTE: The President spoke at 6:55 p.m. in the Arena at the Polk County Veterans Memorial Auditorium. In his remarks, he referred to Steve King, candidate for Iowa's Fifth Congressional District; Stan Thompson, candidate for Iowa's Third Congressional District; and Chuck Larson, Jr., chairman, Republican Party of Iowa.

Remarks at Mount Rushmore National Memorial in Keystone, South Dakota

August 15, 2002

Well, thank you all so very much. John, I appreciate your kind introduction. I appreciate your leadership and your friendship. I want to thank you all for coming today. Gosh, what a warm welcome. It's such a beautiful spot. I told Laura she ought to come; she didn't. You drew the short straw; you got me. [Laughter]

But what a magnificent place on such a beautiful day to talk about America and the challenges we face. I mean, after all, standing here at Mount Rushmore reminds us that a lot of folks came before us to make sure that we were free. A lot of pioneers came to this part of the world to make sure that enterprise could flourish. A lot of our predecessors faced hardship and overcame those hardships, because we're Americans.

And that's what's going to happen in this era too. We've got problems. We've got challenges. This generation has got challenges to meet, and we're going to meet those challenges head on. We've got the challenge of fighting and winning a war against terrorists, and we're going to win that war against terrorists. We've got the challenges of protecting the homeland, and we will do everything in our power to protect the homeland. And we've got the challenge of economic security. Economic security in this part of the world is a big challenge, and I understand that. But we'll do everything in our power to overcome that challenge as well. No, this

is America—American land based upon strong values, inhabited by great people. There's no doubt in my mind that the challenges we face will be challenges we overcome.

I'm glad to come to share that optimism with you in this historic spot. I appreciate those who work for our Park Service. I particularly want to thank my Secretary of Interior, Secretary Gale Norton. I want to thank the park managers, the fine, hard-working folks who work for the Park Service, for providing such a magnificent site for our fellow Americans to come and witness history and be a part of nature at its best.

I want to thank so very much Governor Tom Ridge, who is my Homeland Security Advisor, for traveling with me today. He was the Governor of Pennsylvania. I said, "Listen, you need to leave being Governor of Pennsylvania; we've got a problem." [Laughter] "We need to secure the homeland." And thankfully, he sacrificed and moved to Washington, to serve side by side with me doing everything we can to make our homeland secure.

I appreciate so very much your Governor, Bill Janklow, for being here. Bill has been a friend of mine for a long period of time. He might have invented the word "piece of work." [Laughter] But he's a good piece of work.

I want to thank—I want to thank Majority Leader Tom Daschle for coming today. Tom, I appreciate your time. I'm honored you're here. And I want to thank Senator Tim Johnson, as well, for taking time out of his day to come to be here at Mount Rushmore.

I had the honor of, when I landed in Air Force One at Ellsworth, I had the honor of meeting a fellow named Jerome Harvey. He's a professional firefighter who volunteers his time to help people in need. He grew up in a volunteer fire department, in the sense of taking on this important job as—for his lifetime. I bring him up because he's helping others learn how to fight fire. He's a part of what I call a soldier in the army of compassion. I'm confident there are soldiers in the armies of compassion right here, people who have decided to use their talent and time to help people in need. That's the spirit of America that I love, the fact that we've got

neighbors willing to help neighbors, people who are willing to take time to ask that fundamental question, "What can I do to make my community a better place?" So I appreciate Jerome coming out to say hello. And for those of you who are serving your communities in any kind of way, I want to thank you from the bottom of a grateful nation's heart.

Everybody knows this economy of ours faces challenges. After all, for the first three quarters of my administration, we were at negative growth. That's called a recession. [Laughter] And then the enemy hit us, and that hurt us economically. And then after some scandals had been in the making for a while, they bubbled to the surface, and we learned that some of our corporate citizens were trying to fudge the numbers, weren't being honest with the American people.

We've had to deal with recession, emergency, and corporate scandal. And there's no question it's raised a high hurdle for us to cross. But let me tell you something, that high hurdle is going to be crossed, because our people are hard workers. The productivity of the American farmer and rancher and the American worker is the best in the world. The fundamentals for economic growth are sound. Inflation is down. Interest rates are low. Productivity is high. The consumer is spending money. We've got the foundation laid. Now we've just got to build on it.

One way to make sure we have economic security for Americans around our country is to make sure our agriculture economy is strong. See, I think the cornerstone for economic security is good agricultural policy. This is something I know something about. As a matter of fact, after I leave here, I'm heading back to Crawford. We've got a few cows around—[laughter]—got some hay.

We fortunately have had rain. That wasn't the case always in Texas. I understand what drought means to people who make a living off the land. I know how people suffer when there is no rain. I've seen my fellow Texans, and I heard some of my fellow Americans today, talk about the anxieties that come when you're in a business that relies upon good weather and good prices. I've talked to ranchers who have been on their family

ranch for years, wondering whether they can stay on. I talked to community leaders who wonder whether or not there's a place for young farmers and young ranchers in this society. No, people hurt here, and I know that. We want to help deal with this drought. We want to help the hurting people, because it is not only good for the neighborhood; helping people in the agricultural sector is good for the American economy. A good agricultural sector is good for all Americans.

On Monday, the Department of Agriculture made \$150 million available for immediate emergency feed for livestock producers here in South Dakota and three other States. Sixty-four of your 66 counties have been allowed emergency assistance. We're working hard. I want you to know I signed the farm bill, and I'm proud to have signed the farm bill. Some of us in this audience who supported a farm bill took a little heat over it. I know the Senator supported it. John supported it. We took heat over it because, I guess, some people didn't understand how important the farm economy is. But I said, when I signed that bill, there's \$180 billion in that bill of taxpayers' money to help our farm and ranch community. And as we move forward to help our ranchers with drought relief, I expect that help to come from the \$180 billion, so we don't run up additional deficits in the Federal budget.

It's important to watch our spending in Washington. It's important to set priorities and watch our spending. I appreciate the fact that the Congress sent me a supplemental the other day that helped fund our priorities of the military and homeland security and helping the good folks of New York. We fulfilled a promise to the good folks of New York who are trying to recover from the September the 11th attack. But in that particular bill they added \$5 billion I didn't ask for. And they put some fine print in the bill that said, "Either you spend all the \$5 billion, or you spend none of the \$5 billion. In other words, you spend every dime in there beyond the request, or you spend none of it." For the sake of fiscal responsibility, I made the decision to spend none of the extra \$5 billion.

Now, there are some issues in that \$5 billion that we need to deal with, and I look forward to working with the Congress. I

mean, there's money in there for the Middle East, which I want to spend. There's money in there for AIDS policy, which we need to spend. But we can amend the '03 budget. So the message is clear: In order to make sure we don't put a drag on our economic security measures or economic growth, we've got to be fiscally sound in Washington, DC, fiscally responsible with the people's money.

I'm looking forward, when we get back, to signing an energy bill, one that promotes renewable sources of energy like ethanol. Ethanol is good for our economy; it's good for our air; it makes common sense. I'd rather have the capacity to say to the world, we're less dependent upon foreign sources of crude oil because we're growing energy right here in South Dakota in the United States.

For the good of our economy, we need commonsense forest policy. We can and we must manage our forests. We must keep them disease-free. We must have reasonable forest policies so as to prevent fires, not encourage them.

In order to help our economic recovery, we need to make the tax relief package we passed out of the Congress permanent. Those tax reliefs came right at the right time. See, when you're in the middle of a recession, it's important to let people keep their own money. It's also important to remember, when we're spending money, it's not the Government's money we're spending; it's the people's money. It's your money. I mean, we did a good job of cutting the marriage penalty. After all, we want our Tax Code to encourage marriage, not discourage marriage.

We want the Tax Code to encourage small-business growth, not discourage small-business growth. And that's what cutting the personal income tax rates do. Most small businesses are sole proprietorships or limited partnerships. They pay income taxes at the personal rate. So reducing taxes is good for capital formation and job creation.

But we also did something else that I think is important for South Dakota farmers and ranchers. We sent the death tax on its way to extinction. That death tax is a—if you're interested in keeping people on the farm, you've got to get rid of the death tax. If you want to help the ranchers, you've got to get rid of the death tax. But unfortunately, it

didn't work that way. We sent it on its way to extinction, but the problem is, it bounces back after 10 years. For the sake of economic vitality, to allow our producers and entrepreneurs to plan, for the sake of keeping people on the farms and ranches, we need to make the tax relief permanent.

I just signed a trade bill. I understand some in the agriculture sector are worried about trade. I hear the same thing from some of my Texas friends. And I can understand why people in the agriculture sector worry about trade. After all, our trade negotiators in the past talked a good game about agriculture but seemed to forget agriculture when they got to the table. My attitude is, is that if you're going to have trade policy and if you want to boost the economic security of the American people, you start with your strength. And one of our great strengths in this country is the productivity of our farmer and rancher. One of the great strengths of America is that we produce more food than we need. And if you produce more food than you need, it seems like to me that you ought to work to sell that food overseas to people. We ought to be feeding the world, here in America.

You just need to know that when I talk to the Chinese, I'm talking about soybeans. I want South Dakota soybeans to be sold into China. When we talk to Vladimir Putin, we're talking about chickens. Every time I have a conversation with world leaders, when it comes to trade, I remind them that we expect there to be a level playing field for American agricultural products. I believe firmly—I believe firmly that good trade policy will yield good jobs in America.

And finally, to make sure that we have economic security, we've got to regain the confidence of the American people. After all, the confidence had been shattered. There's too many stories in the business pages and now on the front pages of people who were fudging the numbers, people who had a position of responsibility but forgot to behave responsibly, people who didn't treat their shareholders and their employees with respect, people who are now, when we find them and prosecute them, are going to be serving hard time, not finding easy money.

I want to appreciate so very much the Congress for working together. Both Republicans and Democrats came together to fashion a corporate responsibility bill. It's the most significant piece of reform, corporate reform since Franklin Roosevelt was the President. And it's a good piece of legislation. Let me summarize it by this way: It says, we expect the best from people in positions of responsibility. We want people to be held to account if they break the law.

I remember giving a speech in New York on this subject. And in my speech I said business schools, schools that train future business leaders, must be willing to teach right from wrong. Evidently, that's not the case these days. Evidently, there's some nervousness in some of the college campuses about teaching right from wrong. And after I gave the speech, I was working the ropeline. A professor who is at a business school said, "Thank you for saying that. We need to do that around America." A big fellow standing next to him said, "Well, if you really want to send an ethics lesson in America, if you really want to teach right from wrong, put some of them in handcuffs on national TV as you lead them off." And that's what's going to happen when we find people who cheat the American people.

By far, the vast majority of our corporate citizens are good and honorable people. You've got some fine corporations here in South Dakota, people who care deeply about their employees, people who understand that they've got to tell the truth. No, by far the vast majority of our leadership around this country understand what it means to be a responsible citizen.

And we're cleaning up the mess. Slowly but surely, the American people are understanding that this future is a bright future for us, that economic security will spread its wings throughout all our society. And you just need to know, I'm not going to rest, neither will my administration rest, until we're sure anybody who wants a job and can't find one is able to find work.

We've got another big challenge facing America, and that is to protect our homeland. I want to appreciate the moms and dads who brought your kids here today. It's probably hard for you to understand why anybody

would want to hurt America, why would we have to protect the homeland in the first place. Let me tell you why. It's because your country loves freedom. We love the freedom—[applause]. We love the idea of people being able to worship an Almighty freely. We love the idea. We love the idea of honest political discourse. We like a free press. We love freedom. The enemy hates freedom. So long as we embrace freedom—which we will do—there's going to be people who try to hurt us. There's another distinction between us and the enemy: We value every life; we value every human life. And these folks are out there. They're haters. They're out there. And our job is to make sure that the homeland is as secure as possible.

As you know, I proposed a significant reform of the agencies involved with homeland defense. We've got over 100 agencies scattered all around Washington that have got some part of defending the homeland. And that doesn't make much sense. If the number one priority of the Government is to protect the homeland, it seems like, to me, that those agencies involved with protecting the homeland need to be under one boss; they need to have one chain of command. If you want to change a culture, if you want to set a clear priority, we ought to organize our Government so that priority is the most important thing these agencies do.

And so I called upon Congress to join me in the creation of a Department of Homeland Security. And we're making some progress on the Department of Homeland Security. But I'm a little worried about some of the noise I hear. I don't want our hands tied so we cannot do the number one job you expect, which is to protect the homeland. I need to be able to ship resources without a time-consuming approval process. If you're trying to defend the homeland, if you need to act quickly in response to a threat, we need to be able to move resources. We're not trying to do away with congressional authority. We're trying to have the capacity to respond to the needs of the American people. Unfortunately, the bill in the Senate right now won't let me do that.

Let me give you an example. If intelligence were to show that the terrorists were planning to use a new type of biological weapon,

it makes sense for the Department of Homeland Security to take money from one project to buy medicines, to stockpile drugs, to respond if the attack were to occur. We don't have that flexibility right now. I'm not allowed to reorganize old agencies to meet new threats, and I'll give you an example.

On our border—listen, we need to know who's coming in the country. We need to know what they're bringing in the country, and we need to know if they're leaving the country. But we've got different agencies with different strategies in different uniforms. They need to be working in concert. I need the authority to have Customs and the INS and the Border Patrol work in concert so that there's no gaps in the defense of our borders. I don't have that authority under the Senate bill.

The way the bill is structured now, it takes too long to hire good people. There's too many bureaucratic rules. The bill micromanages the capacity of the executive branch to do the business on behalf of the American people. I need the capacity, this Department needs the—it's not just me, it's future Presidents need the capacity to be able to pay people according to their contributions and hold people to account for their performance, both good and bad. If somebody does a good job, we want to be able to provide bonuses. I am deeply concerned about this provision of the Senate bill. It strips me of authority. Unlike previous—if this bill were to go through, this bill would take away the authority that every President since Jimmy Carter has had, which is to exempt agencies from collective bargaining requirements if I were to determine that our national security demands it. It's important during times of war that we be flexible to meet our needs.

Now, having said that, I'm absolutely confident and know that this Department will protect Federal workers' rights, will safeguard against unwillful discrimination. There will be whistle-blower protection. They will be able to be in a union if that's what they choose to do. But I need flexibility to be able to run this Department. I need the flexibility to be able to look at the American people and say, we're doing everything we can to protect the homeland against an enemy that hates us.

The best way to protect the homeland—and, by the way, there are a lot of good people working hard to protect you. Anytime we get a hint or a lead, we're moving. We're disrupting. We're following every possible opportunity to disrupt potential enemy plans. And I hope you're proud of the fact that there's a lot of good folks who care deeply about your future. I sure am. I'm proud of the way our people are responding.

But the best way to protect the homeland, the best way to make sure our children can grow up free, is to hunt the killers down, one by one, and bring them to justice. This is a different kind of war than we're used to. This isn't a war where these infantries go marching across the plains or hide in hedgerows, or formations of aircraft go streaming across our skies. This is a war where leaders hide in caves and send youngsters to their suicidal death. That's the kind of war we're fighting. It requires a new way of thinking, a new attitude. It requires our military to be trained in a way that can go into—to move quickly and be agile, be lethal when they strike. It doesn't matter how long it takes, as far as I'm concerned. There's no cave deep enough. We're going to hunt them down. You see, history has called us. History has put the spotlight in America. We're the beacon of freedom. We're the bastion of freedom, and we're the protectors of freedom, as far as I'm concerned.

I submitted a significant increase in our defense spending—it's the biggest increase since Ronald Reagan was the President—for two reasons. Anytime we put our troops in harm's way, they've got to have the best training, the best pay, the best equipment possible. We owe that to our troops, who are performing brilliantly, by the way. We also owe it to their moms and dads and their husbands and wives and their loved ones.

But the other reason I submitted a significant increase in defense spending is because I want the message to be loud and clear to our friends and foe alike that we're not quitting, that the United States of America understands the challenge, that, no matter how long it takes, we're going to defend our freedoms. And we're making pretty good progress. We're making pretty darned good progress. I laid out a doctrine that said, "If

you harbor a terrorist or you feed one of them, you're just as guilty as the terrorists." And the Taliban found out exactly what we meant.

But I want—I want the youngsters here to understand that when we went into that country, we went in as liberators, not as conquerors. We freed people from the clutches of a barbaric regime and, thanks to the United States and our friends and allies, many young girls now go to school for the first time in their lives. History will note that we didn't hit and run, that we stayed there. We stayed there to not only make sure that Al Qaida doesn't bunch up again, but we stayed there to help this country, Afghanistan, flourish. We believe in democracies. We believe every child should have a chance to realize his or her dreams. We believe in peace.

I think we've hauled in over 2,000 of the enemy—"we" being all kinds of people, the Philippines and Spain, of course, the United States. We're making pretty good progress. We're getting them one by one. Sometimes you'll read about it; sometimes you won't. This isn't a very dramatic war, as far as TV goes. But we're making dramatic progress, is the best way to put it. And, by the way, about equal a number of the people weren't quite as lucky as those who were captured.

And we've got a lot of work to do. We've got a lot of work to do. And that's why this budget I submitted is a significant budget. The House passed its version. The Senate passed its version. They've now got to get together as quickly as possible, as soon as possible, and get the defense appropriations bill to my desk nearly upon arrival. In other words, as soon as they get back from the recess, I need to sign the bill so we can plan for the war.

I hope you can tell that I'm an optimistic person. I'm an optimistic person because I understand America. I understand the strengths of America. I know we're going to prevail in this war on terror. And as we do so, I believe, as sure as I'm standing here, we're going to bring peace to parts of the world that haven't dreamt about peace in a long time. By being firm and strong and diligent, we'll bring peace not only to our own children and their children, but we can bring

peace to the Middle East and peace to South Asia. No, we have a fantastic chance to take the evil done to our country and turn it into good for worldly peace.

And here at home, we can make a huge difference in people's lives. Listen, we live in a land of plenty, but there are people who hurt, people whose lives have been shattered by addiction, young kids who haven't gotten a good enough education and may not have love at home and wonder whether or not America is meant for them. So long as any of us hurt, all of us hurt in America.

I understand there is a limitation to the capacity of Government. Government can hand out checks; we do a pretty good job of that sometimes. *[Laughter]* But what Government cannot do is put love in people's hearts or a sense of purpose in people's lives. In order to change lives for the better, in order to make sure we eliminate those pockets of despair and hopelessness, it will require loving Americans to act, loving Americans to put their arms around people who wonder whether or not there's hope and say, "I love you, brother. I love you, sister." People ask me what they can do in the war against terror. My answer is, love a neighbor just like you'd like to be loved yourself. People say, "Well, I can't do everything." I know you can't do everything, but you can do something to help change America, one soul, one conscience at a time. And that's what's taking place in this country. It really is.

Many people stepped back after September the 11th and said, "What is—what's our life worth? I mean, how do we fulfill a full life as an American?" More and more people understand that being a patriot is more than just putting your hand over your heart and saying the Pledge of Allegiance to a nation under God. They're saying—more and more people understand that serving something greater than yourself in life is a part of being a complete American. And as more and more people do that, as more and more people choose to mentor a child, as more and more people help feed the hungry, as more and more people go to their churches and synagogues and mosques and hear that universal call to love a neighbor, Amer-

ica's culture is changing. And America, itself, is changing.

America's culture is changing from a period in which we all have said, "If it feels good, just go ahead and do it, and if you've got a problem, blame somebody else." We're ushering in a period of personal responsibility in this country, where moms and dads understand, if you're fortunate enough to be a mom or a dad, you must love your children with all your heart and all your soul. People in America are understanding that if you live in a community, you've got to help that community to realize its full potential. They're understanding there is such a thing as personal responsibility and sacrifice.

And perhaps the most vivid example of that came on 9/11 itself. People were flying across the airplane on what's now known as—then and now known as Flight 93. They heard their plane was going to be used as a weapon. They got on the phone, and they told their loved ones they loved them. They said a prayer. One guy said, "Let's roll." They served something greater than themselves by saving life. It's an example for all of us to remember that America is a country based upon our willingness to serve something greater than ourselves, our willingness to be something other than a materialistic society, a willingness for all of us to help define the American spirit and love our neighbor so that our country can have its full potential available for everybody who is fortunate enough to be an American.

Listen, out of the evil done to this great land is going to come incredible good, because we're the greatest nation on the face of the Earth, full of the most fine and compassionate and decent citizens.

May God bless you all, and may God bless America.

NOTE: The President spoke at 10:07 a.m. from a temporary stage in front of the monument. In his remarks, he referred to Representative John R. Thune of South Dakota, who introduced the President; and President Vladimir Putin of Russia.

**Notice—Continuation of Emergency
Regarding Export Control
Regulations**

August 14, 2002

On August 17, 2001, consistent with the authority provided me under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), I issued Executive Order 13222. In that order, I declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States in light of the expiration of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*). Because the Export Administration Act has not been renewed by the Congress, the national emergency declared on August 17, 2001, must continue in effect beyond August 17, 2002. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13222.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

George W. Bush

The White House,
August 14, 2002.

[Filed with the Office of the Federal Register, 11:30 a.m., August 15, 2002]

NOTE: This notice was released by the Office of the Press Secretary on August 16, and it was published in the *Federal Register* on August 16.

**Letter to Congressional Leaders on
Continuation of the National
Emergency With Respect to the
Lapse of the Export Administration
Act of 1979**

August 14, 2002

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in

the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency caused by the lapse of the Export Administration Act of 1979, as amended, is to continue in effect beyond August 17, 2002, to the Federal Register for publication.

Sincerely,

George W. Bush

NOTE: This letter was released by the Office of the Press Secretary on August 16. An original was not available for verification of the content of this letter.

**Remarks at a Volunteer Barbecue
Lunch in Crawford, Texas**

August 16, 2002

Thank you, Mary. In case you don't know it, Mary is the maintenance supervisor at the Crawford Independent School District. [*Applause*] That's right. And when we arrive here in Crawford, she's got a lot to maintain—[*laughter*—because, as you can see, we travel with a lot of people.

And Laura and I are here to thank you for helping make our stay and dealing with these large entourages go well. We appreciate it. We love to come to Crawford. We view it as our home. As you know, I bring my office with me, and you all help make the transition from Washington to the Crawford White House work well. And we understand that. We see many of you in the vans waiting for us when we come pulling out or meeting us at the airport there in Waco. We see a lot of you at the press avails. We see you when you're helping with our guests, our foreign dignitaries who come to visit. And all of you are doing a great job. So today what we'd like to do is to thank you, feed you—[*laughter*—and photograph you. [*Laughter*]

I get a lot of work done here in Crawford. You know, it's hard for some to maybe understand, but the decisionmaking process never ends when you're the President. You're constantly being briefed and brought up to date

on this, that, or the other. And I still make decisions here. I just find that I can—it's a different perspective when I come here, out of Washington, DC, to a place like Crawford, Texas. I'm reminded of the great values of our beloved Texas and the values of faith and family and friendship that you find in places like Crawford.

So I never quit being the President; I just have got a different perspective about things. I might come to the same conclusion on decisions that I have to make, but I make them in a different environment. And this is a fabulous environment in which to make decisions and to meet with people.

We love it here. There's nothing better than to get up early in the morning and to go jogging across our ranch, see a couple of deer, talk to the turkeys—[*laughter*—watch Barney chase them. [*Laughter*]

But we want to thank you for being good neighbors. We want to thank you all very much from the bottom of our heart for helping make our transitions to—back to home as smoothly as they have gone. We want you to know that one of these days, we'll be joining you in the coffee shop on a regular basis for eating lunch. In the meantime, we've got a job to do, and coming here really helps us do the job that you expect us to do.

So Laura and I thank you from the bottom of our heart. It's great to see you. We look forward to shaking every hand here and personally thanking you for all your hard work.

May God continue to bless America, and may God bless you and your families.

NOTE: The President spoke at 11:15 a.m. at the Crawford Community Center. In his remarks, he referred to Mary Keltner, maintenance supervisor, Crawford Independent School District, who introduced the President.

Remarks and an Exchange With Reporters in Crawford

August 16, 2002

Baseball Labor Dispute

The President. Let me start off by saying the baseball owners and the baseball players must understand that if there is a stoppage, a work stoppage, a lot of fans are going to be furious, and I'm one. It is very important

for these people to get together. They can make every excuse in the book not to reach an accord. It is bad for them not to reach an accord. They need to keep working.

And I'll be glad to answer a couple of questions.

Q. Mr. President, you spoke——

The President. Starting with you.

Execution of Javier Suarez Medinal/ Mexico-U.S. Relations

Q. Thank you, Mr. President. You spoke Tuesday with President Fox.

The President. Yes, I did.

Q. What did you tell him about the execution? And are you disappointed he's not coming?

The President. Well, first of all, I understand why he's not coming. He said that if the execution goes forward, he's not going to come.

Q. He told you that Tuesday?

The President. Yes, he did. And I said, "Well, we have laws here in America. We've got—the State of Texas has got a law." I said that there's going to be full recourse to the courts, which there was. And the Governor made the decision he made; the Supreme Court made the decision it made; and President Fox made the decision he made.

But I am confident that our friendship is strong, that we'll be able to work together to resolve common problems, and we'll have future discussions.

Michael [Mike Allen, Washington Post].

Iraq

Q. Mr. President, not all Republicans seem sold on your intention to deal with dictators who gas their own people. What are you going to do to make that case more persuasively? Are you consulting with them? And what is your obligation of getting approval, not just consultation, with Congress?

The President. Yes, I appreciate that question. First of all, I am aware that some very intelligent people are expressing their opinions about Saddam Hussein and Iraq. I listen carefully to what they have to say.

There should be no doubt in anybody's mind, this man is thumbing his nose at the world, that he has gassed his own people, that he is trouble in his neighborhood, that

he desires weapons of mass destruction. I will use all the latest intelligence to make informed decisions about how best to keep the world at peace, how best to defend freedom for the long run.

We'll continue to consult. Listen, it's a healthy debate for people to express their opinion. People should be allowed to express their opinion. But America needs to know, I'll be making up my mind based upon the latest intelligence and how best to protect our own country, plus our friends and allies.

**Treasury Secretary Paul O'Neill/
National Economy**

Q. Mr. President, yesterday, Secretary O'Neill said that he is going to be—stop being so candid with his comments about the economy. And you just met with him on Wednesday—

The President. That's an interesting observation. [Laughter] Let me be honest with you. [Laughter]

Q. Did you suggest to him that maybe he should—

The President. No, I didn't. Listen, Paul O'Neill is doing a fine job as Secretary of Treasury. I don't know what prompted him to make that statement. I find him to be refreshingly candid. I appreciate his judgment. He's a man of great experience. He and I share an optimism about our country's future, and we do so based upon fact. Interest rates are low. Inflation is low. Productivity is up. We've got a lot of work to do.

And I started the process of bringing some fiscal discipline into Washington prior to the end of the August recess. I meant what I said. In my radio address today, I'm talking about fiscal discipline so that overspending doesn't serve as an anchor on any economic growth. I firmly believe that the trade bill I got is going to help create jobs. I know we need to have a terrorism insurance package so that we can get many of our construction workers working. So there are some things we need to do. The Secretary and I share a basic optimism about our future.

Supplemental Appropriations for First-Responders

Q. Sir, the firefighters union is very upset about the money being withheld from the

supplemental, and they say that they would—are they misunderstanding?

The President. Well, let me first of all—I've got a strong commitment to not only firefighters but to first-responders, and here are the facts: The budget prior to September the 11th is about \$250 million; after September the 11th is over a billion. And my '03 request for first-responders is over \$3.5 billion. So the commitment is strong, and the commitment is there.

What they ought to be upset about is the fact that Congress tried to tie my hands. They said, "You've got to spend \$5 billion or none of the \$5 billion." And I chose not to spend the \$5 billion because, one, we didn't need to, and, two, it is important for this country to be fiscally disciplined as our economy begins to recover. And so there's no question in most people's minds that I've got a very strong commitment to firefighters and first-responders.

President's Economic Forum

Q. Mr. President, may I ask—if I may ask you about the economic forum, what's the most important new thing you learned? And, sir, is there anything at the top of your list, based on suggestions or ideas that you heard there?

The President. Michael, I am going to analyze and think about some of the suggestions so that when I announce them, it will be well thought out. It will be a part of a long-term plan. But there are some interesting ideas: expensing losses, increasing expenses of losses, accelerating the 401(k) contribution limits—in other words, making it easier for people to put more money in their 401(k)s quicker.

There's a lot of interesting talk about capital gains taxes, double taxation of dividends. There was certainly a very strong sentiment that we're on the right track when it comes to holding people to account who lie, steal, or cheat—lie, cheat, or steal—[laughter]—who defraud people by cooking the books. There was some strong sentiment from CEO and non-CEO alike.

I came away from that summit—that the small-business person feels constrained by tax policy and regulatory policy. And I was—

really appreciated the people coming. I thought it was a very good summit.

Last question, and then I've got to go.

Q. Thank you, Mr. President. Just to follow up on that, are you planning on producing a new economic package—

The President. Lie, cheat, or steal. [Laughter]

Q. Are you planning on producing a new economic package?

The President. We're thinking about it. We're thinking about all options. That's one of the things that came out of the meeting, was that some have urged us to think about additional measures to help economic growth, so I'm thinking about it.

But one thing that the Congress has got to do is pass laws that will make a—that we've already proposed, that will make a difference for job creation. One of them is terrorism insurance. Another one is pension reform. And that's very important. So Congress needs to do that when they get back.

And the other thing, of course, is Congress should not overspend. Look, I understand Washington. Every project sounds like it's needed. Every—every proposal is one that's got to be funded. And my job is to set the priorities, and I have set priorities. The war is a priority. Homeland defense is a priority. And then hold people to account if they don't accept those priorities, if they overspend. And I started that process by making a decision on the supplemental.

Thank you all. Hope you have a great day.

President's Vacation

Q. Mr. President, how is the nature trail coming?

The President. Michael, is that a—you're not inviting yourself out there? [Laughter] It's coming great. Actually, I haven't been on the good side of a saw for a while. I've been out of the—out of the area, as you know. And today I'm going to—I've got another event here, and then Condi is coming down. I'm going to spend some time with her. I may be at—I may be sawing tomorrow. If I need an extra hand, I'll holler.

Q. I can outrun Scott [Scott Lindlaw, Associated Press]. [Laughter]

The President. I'll tell you what, he represented the press corps in fine fashion. It was an unbelievable effort.

Q. I found someone I could beat, sir, yesterday.

The President. Who's that?

Q. I'm not going to identify them. [Laughter]

The President. No, you represented—you represented your profession well. I tried to find the model citizen out of all the people I could have invited. I tried to find the one person that would represent the integrity of the press corps, somebody who represents those values that we hold dear, that the enemy is trying to attack, as a matter of fact, a free press. And I hope you agree with my judgment that Scott was the right man at the right place at the right time. It's that flexibility I need. [Laughter]

NOTE: The President spoke at 11:55 a.m. at the Crawford Community Center. In his remarks, he referred to Javier Suarez Medina, who was executed August 14 by the State of Texas for a 1989 murder conviction; President Vicente Fox of Mexico; President Saddam Hussein of Iraq; and National Security Adviser Condoleezza Rice. A tape was not available for verification of the content of these remarks.

Proclamation 7583—National Health Center Week, 2002

August 16, 2002

By the President of the United States of America

A Proclamation

America's community health centers are a vital part of our healthcare safety net, providing primary care services to uninsured, low-income families and individuals, regardless of their ability to pay.

Community health centers ensure that all citizens have access to medical treatment and preventative care. Each year, community, migrant, public housing, and homeless health centers serve more than 12 million citizens at over 3,300 delivery sites throughout urban and rural communities in all 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. These centers care for 1 of every 5 low-income children and 1

of every 12 rural residents. By working together with schools, businesses, churches, community organizations, foundations, and State and local governments, these health centers strive to meet the special needs and priorities of communities and to improve the health and well-being of countless families and individuals.

Health centers offer responsive and cost-effective health care that includes comprehensive primary and preventive services; prenatal and postpartum care; patient education, case management, and outreach; translation and other support services. My Administration is committed to increasing Federal support of healthcare centers. Through my Community and Migrant Health Centers Initiative we are working to double the number of patients served in these centers, and create 1,200 new and expanded health center sites over 5 years.

With the observance of National Health Center Week, we recognize the important role and the invaluable contributions of America's health centers, their staff, board members, and all those responsible for their success. During National Health Center week, I join in encouraging all Americans to celebrate the importance of health centers to our communities by participating in health fairs and screenings, blood drives, immunizations, and open house events.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim August 18 through 24, 2002, as National Health Center Week. I encourage all Americans to observe this week with appropriate activities and programs in order to raise their awareness of the importance and variety of services provided by America's health centers.

In Witness Whereof, I have hereunto set my hand this sixteenth day of August, in the year of our Lord two thousand two, and of the Independence of the United States of America the two hundred and twenty-seventh.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., August 19, 2002]

NOTE: This proclamation will be published in the *Federal Register* on August 20.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

August 10

In the morning, the President traveled from the Bush Ranch in Crawford, TX, to Waco, TX. Later, he returned to the Bush Ranch in Crawford.

August 12

In the morning, the President met with the National Security Council.

The White House announced that the President will welcome Prime Minister Siim Kallas of Estonia to Washington, DC, on September 4.

August 13

In the morning, the President traveled to Waco, TX. In the afternoon, he returned to the Bush Ranch in Crawford, TX.

During the day, the President had a telephone conversation with President Vicente Fox of Mexico concerning Javier Suarez Medina, who was scheduled to be executed on August 14 by the State of Texas for a 1989 murder conviction, and President Fox's upcoming visit to President Bush's ranch in Crawford, TX.

August 14

In the morning, the President traveled to Milwaukee, WI.

In the afternoon, the President traveled to Des Moines, IA, where, upon his arrival, he met with the McCaughey family, including 4-year-old septuplets.

August 15

In the morning, the President traveled to Rapid City, SD. While en route aboard Air Force One, he had intelligence and national security briefings. Upon his arrival in Rapid City, he met with Jerome Harvey, assistant

fire chief, emergency management coordinator, and emergency services volunteer, Lead, SD. Later, he traveled to Mount Rushmore National Memorial in Keystone, SD.

In the afternoon, the President returned to the Bush Ranch in Crawford, TX.

August 16

The President announced that Keith Hennessey will be joining the White House as Deputy Assistant to the President for Economic Policy and Deputy Director of the National Economic Council, replacing Marc Sumerlin.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released August 12

Transcript of a press gaggle by Principal Deputy Press Secretary Scott McClellan

Statement by the Deputy Press Secretary on the upcoming visit of Prime Minister Siim Kallas of Estonia

Announcement: President To Host Economic Forum

Announcement: Economic Forum Schedule and Participant List

Released August 13

Transcript of a press briefing by Office of Management and Budget Director Mitch Daniels

Transcript of a press briefing by Treasury Secretary Paul H. O'Neill and Commerce Secretary Donald L. Evans

Transcript of a press briefing by Agriculture Secretary Ann M. Veneman and U.S. Trade Representative Robert B. Zoellick

Statement by the Deputy Press Secretary on the visit of Zalmay Khalizad, the President's Special Envoy for Afghanistan and Special Assistant to the President for Southwest Asia, the Near East, and North Africa, to Afghanistan

Released August 15

Transcript of a press gaggle by Deputy Press Secretary Claire Buchan

Statement by the Deputy Press Secretary on National Security Adviser Condoleezza Rice's announcement of the appointment of Rand Beers as Special Assistant to the President and Senior Director for Combating Terrorism

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.